

SWARTLAND MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended

30 June 2007

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 66, in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 27 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

J J Scholtz
Municipal Manager

21 September 2007
Date

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SWARTLAND MUNICIPALITY**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2007**

	Note	2007 R	2006 R
NET ASSETS AND LIABILITIES			
Net assets		311,822,159	282,133,513
Housing Development Fund	1	3,699,736	5,760,065
Capital replacement reserve		23,120,084	40,219,341
Capitalisation reserve		101,892,393	108,475,793
Government grant reserve		54,976,771	51,717,628
Donations and public contribution reserves		1,814,500	1,910,000
Accumulated Surplus/(Deficit)		126,318,675.00	74,050,686
Non-current liabilities		46,041,548	46,764,230
Long-term liabilities	2	25,951,366	28,077,272
Provision for post- retirement medical aid benefits	3	17,577,618	16,451,125
Other non-current provisions	4	2,512,564	2,235,833
Current liabilities		47,242,969	36,619,356
Consumer deposits	5	4,158,554	3,822,723
Provisions	6	1,143,736	1,783,329
Creditors	7	27,590,441	19,673,379
Unspent conditional grants and receipts	8	11,460,043	8,031,499
VAT	9	414,758	1,157,235
Short-term loans	10	-	-
Operating lease liability	11	5,016	-
Bank overdraft	35	-	-
Current portion of long-term liabilities	2	2,470,421	2,151,191
Total Net Assets and Liabilities		405,106,676	365,517,099
ASSETS			
Non-current assets		367,943,203	324,102,092
Property, plant and equipment	12	245,376,998	206,052,497
Intangible Assets	13	1,013,637	40,923
Investment property	14	25,110,659	26,678,005
Investments	15	94,009,750	88,000,000
Long-term receivables	16	2,432,159	3,330,667
Current assets		37,163,473	41,415,007
Inventory	17	7,043,358	3,755,646
Consumer debtors	18	17,419,171	13,372,595
Other debtors	19	7,210,826	7,050,870
Current portion of long-term receivables	16	508,107	577,021
Call investment deposits	20	454,148	353,272
Bank balances and cash	35	4,527,863	16,305,603
Total Assets		405,106,676	365,517,099

SWARTLAND MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 R	2006 R
REVENUE			
Property rates	22	38,479,093	33,955,156
Service charges	23	99,694,715	88,535,212
Rental of facilities and equipment		1,451,260	314,969
Interest earned - external investments		8,258,456	6,283,575
Interest earned - outstanding debtors		1,267,791	1,015,136
Dividends received		-	-
Fines		2,172,287	2,451,918
Licences and permits		2,267,527	2,531,051
Income for agency services		2,117,394	2,061,810
Government grants and subsidies	24	24,124,870	27,340,051
Other Grants		114,431	-
Other income	25	6,435,556	6,865,535
Public contributions, donated and contributed property, plant and equipment		-	2,417,542
Gains on disposal of property, plant and equipment		14,195,570	15,328,869
Total Revenue		200,578,950	189,100,824
EXPENDITURE			
Employee related costs	26	55,907,024	67,276,130
Remuneration of Councillors	27	4,133,104	2,276,299
Bad debts		1,889,643	3,286,962
Collection costs		-	-
Depreciation		11,458,761	10,183,039
Repairs and maintenance		9,899,261	9,774,120
Interest paid	28	3,722,339	3,915,034
Bulk purchases	29	41,330,334	36,677,038
Contracted services		1,837,472	1,480,475
Grants and subsidies paid	30	1,678,302	1,299,394
General expenses	31	40,798,574	30,599,333
Loss on disposal of property, plant and equipment		-	-
Total Expenditure		172,654,814	166,767,824
SURPLUS/(DEFICIT) FOR THE YEAR		27,924,136	22,333,000
DISCONTINUED OPERATIONS			
Surplus/(Deficit) for the year from discontinued operations		(337,061)	-
SURPLUS FOR THE YEAR		27,587,075	22,333,000
Refer to Appendix E (1) for explanation of variances			

The 2006 comparative figures were restated due to the changes in disclosure requirements.

SWARTLAND MUNICIPALITY

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2007**

	Housing Development Fund R	Capital Replacement Reserve R	Capitalisation Reserve R	Government Grant Reserve R	Donations and Public Contribution Reserve R	Accumulated Surplus/ (Deficit) R	Total R
2006							
Balance at 1 July 2005	9,023,332	42,800,369	111,791,934	35,230,476	-	60,680,670	259,526,781
Surplus/(deficit) for the year	-	-	-	-	-	22,333,000	22,333,000
Adjustment for previous years	-	-	-	-	-	(205,967)	(205,967)
Transfer to CRR	-	18,099,183	-	-	-	(18,099,183)	-
Property, plant and equipment purchased	-	(20,680,211)	-	-	-	20,680,211	-
Capital grants used to purchase PPE	-	-	-	19,211,698	-	(19,211,698)	-
Donated/contributed PPE	-	-	-	-	1,910,000	(1,910,000)	-
Transfer to/(from) Housing Development Fund	(3,263,267)	-	-	-	-	3,263,267	-
Asset disposals	-	-	(1,125,500)	-	-	1,125,500	-
Offsetting of depreciation	-	-	(3,106,114)	(2,872,769)	-	5,978,883	-
Balance at 30 June 2006	5,760,065	40,219,341	107,560,320	51,569,405	1,910,000	74,634,683	281,653,814
2007							
Correction of Error (Note 33)	-	-	915,473	148,223	-	(583,997)	479,699
Restated balance	5,760,065	40,219,341	108,475,793	51,717,628	1,910,000	74,050,686	282,133,513
Surplus/(deficit) for the year	-	-	-	-	-	27,587,075	27,587,075
Adjustment for previous years	-	-	-	-	-	4,408,464	4,408,464
Transfer to CRR	-	25,000,000	-	-	-	(25,000,000)	-
Property, plant and equipment purchased	-	(42,099,257)	-	-	-	42,099,257	-
Property, plant and equipment purchased	-	-	-	-	-	1,258,364	1,258,364
Capital grants used to purchase PPE	-	-	-	6,708,952	-	(6,708,952)	-
Donated/contributed PPE	-	-	-	-	-	-	-
Transferred to Inventory	-	-	(3,565,257)	-	-	-	(3,565,257)
Transfer to/(from) Housing Development Fund	(2,060,329)	-	-	-	-	2,060,329	-
Asset disposals	-	-	(71,852)	-	-	71,852	-
Offsetting of depreciation	-	-	(2,946,291)	(3,449,809)	(95,500)	6,491,600	-
Balance at 30 June 2007	3,699,736	23,120,084	101,892,393	54,976,771	1,814,500	126,318,675	311,822,159

SWARTLAND MUNICIPALITY**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 R	2006 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated by operations		42,767,997	52,735,124
Cash generated from/(utilised in) operations	34	42,767,997	52,735,124
Dividends received		-	-
Interest received		8,258,456	6,283,575
Interest paid		(3,722,339)	(3,915,034)
NET CASH FROM OPERATING ACTIVITIES		47,304,114	55,103,665
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(49,671,043)	(41,867,777)
Proceeds on disposal of property, plant and equipment		71,852	-
(Increase)/decrease in intangible assets		(972,714)	-
(Increase)/decrease in investment properties		(1,895,900)	1,125,500
(Increase)/decrease in non- current receivables		967,422	1,343,746
(Increase)/decrease in non-current investments		(6,009,750)	(10,000,000)
(Increase)/decrease in call investment deposits		(100,876)	(80,231)
NET CASH FROM INVESTING ACTIVITIES		(57,611,009)	(49,478,762)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		(1,806,676)	(1,976,823)
Increase/(decrease) in consumer deposits		335,831	242,267
Decrease/(increase) in short-term loans		-	-
NET CASH FROM FINANCING ACTIVITIES		(1,470,845)	(1,734,556)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(11,777,740)	3,890,347
		(11,777,740)	3,890,347
Cash and cash equivalents at the beginning of the year		16,305,603	12,415,256
Cash and cash equivalents at the end of the year	35	4,527,863	16,305,603

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1. BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	The Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated financial statements and accounting for controlled entities
GAMAP 7	Accounting for Investments in Associates
GAMAP 8	Financial Reporting of Interests in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Asset
GAMAP 6, 7 and 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.	

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual financial statements.

The entity has elected to early adopt the following requirement's in GRAP, GAMAP or SA GAAP, which were exempted in terms of General notice 552 of 2007:

Standard no.	Standard Title	GRAP, GAMAP and/or SA GAAP requirements), exempted in terms of General notice 552 of 2007, that have been early adopted.
GAMAP 12	Inventories	The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17.
		The entire standard as far as it relates to water stock that was not purchased by the municipality.
IAS 12 (AC 105)	Leases	Recognising operating lease payments/receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement (IAS 17.33 - 34 and 50 - 51, SAICA CIRCULAR 12/06.08-11)
IAS 19 (AC 116)	Employee benefits	Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and defined benefit obligation disclosed by
IAS 40 (AC 135)	Investment property	Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised the investment property in terms of this standard (IAS 40.79(e)(i) - (iii))

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

2. PRESENTATION CURRENCY

These Annual Financial Statements are presented in South African Rand.

3. GOING CONCERN ASSUMPTION

These Annual Financial Statements have been prepared on a going concern basis.

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

4. OFFSETTING

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP, GRAP or GAAP.

5. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

6. RESERVES

6.1 *Capital Replacement Reserve (CRR)*

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR. A corresponding amount is transferred to a designated CRR bank or investment account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

6.2 *Capitalisation Reserve*

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

6.3 *Government Grant Reserve*

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

6. RESERVES (continued)

6.4 *Donation and Public Contributions Reserve*

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit). The purpose of the policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from donations and public contributions is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

6.5 *Revaluation Reserve*

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/(deficit). On disposal, the net revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on revalued amounts are credited or charged to the Statement of Financial Performance.

7. PROPERTY, PLANT AND EQUIPMENT

7.1 *Fixed Assets*

Property, plant and equipment, is stated at cost, less accumulated depreciation.

Where item of property plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

Land and buildings are not revalued.

The cost of an item of property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed. Examples of subsequent expenditure which should be capitalised are the enhancement of an existing asset so that its use is expanded, or the further development of an asset so that its original life is extended.

The Municipality has adopted a capitalisation threshold whereby all expenditure below the threshold is expensed when incurred. The threshold will be determined annually during the budget process.

7.1 *Fixed Assets (continued)*

All assets of the Municipality are verified annually in terms of Council's Asset Management Policy to:-

- * Physically identify all assets.
- * Determine assets to be written-off.
- * Determine obsolete assets.
- * Determine changes in the estimated useful lives of assets.
- * Determine impairment losses on assets.

7.2 *Depreciation*

Depreciation is calculated on cost, using the straight line method, over the estimated useful lives of the assets. The depreciation rates are based on the following estimated useful lives:

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

7. PROPERTY, PLANT AND EQUIPMENT (continued)

7.2 Depreciation (continued)

	<u>Years</u>	<u>Other</u>	<u>Years</u>
Infrastructure			
Roads and Paving	15 - 20	Buildings	30
Pedestrian Malls	30	Specialist vehicles	5 - 20
Electricity	20 - 30	Other Vehicles	5 - 10
Water	15 - 20	Office equipment	3 - 7
Sewerage	15 - 20	Furniture and fittings	7 - 10
Housing	30	Watercraft	15
		Bins and containers	5
Community			
Buildings	30	Specialised plant and equipment	10 - 15
Recreational Facilities	20 - 30	Other items of plant and equipment	2 - 5
Security	5	Landfill sites	15

The estimated useful lives and the depreciation methods was not reviewed in the previous and current financial years as it is required by GAMAP 17, as these requirements have been exempted in terms of General notice 552 of 2007.

7.2.1 Land

Land is not depreciated as it is regarded as having an infinite life.

7.2.2 Incomplete Construction Work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is commissioned into use.

7.2.3 Heritage Assets

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to uncertainty regarding to their estimated useful lives.

7.3 Disposal of property, plant and equipment

- * The book values of assets are written off on disposal.
- * The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the Statement of Financial Performance.

7.4 Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance. The municipality should assess at each reporting date whether there is any indication that any items of PPE may be impaired by reviewing external and internal sources of information which indicates that impairments may have occurred. However for the previous financial year and the current year under review, the municipality did not perform impairment testing on its assets as is required by GAMAP 17 and IAS 36/AC128, as these requirements have been exempted in terms of General notice 552 of 2007.

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2007**

8. INTANGIBLE ASSETS

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged on a straight-line basis over their useful lives. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised.

Intangible assets are annually tested for impairment.

Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

The estimated useful life and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

9. INVESTMENT PROPERTY

Investment Property is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is 50 years.

Where the classification of an investment property is based on management's judgment, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- All properties held to earn rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be

The gain or loss arising on the disposal of an investment property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

10. FINANCIAL INSTRUMENTS

The municipality has various types of financial instruments and these can be broadly categorised as either Financial Assets or Financial Liabilities.

10.1 *Financial Assets*

A financial asset is any asset that is a cash or contractual right to receive cash. The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Listed Investments (Shares)
- Unlisted Investments (Local Authority Stock)
- Investments in Fixed Deposits (Banking Institutions, etc)
- Long-term Receivables
- Consumer Debtors
- Other Debtors
- Short-term Investment Deposits
- Bank Balances and Cash

In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows into the four categories allowed by this standard:

TYPE of Financial Asset	Classification in terms of IAS 39.09
	Financial Assets:
Listed Investments	Held at fair value through profit or loss
Unlisted Investments	Held at fair value through profit or loss
Investments in Fixed Deposits	Held to maturity
Long-term Receivables	Loans and receivables
Consumer Debtors	Loans and receivables
Other Debtors	Loans and receivables
Short-term Investment Deposits	Held to maturity
Bank Balances and Cash	Available for sale

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

10. FINANCIAL INSTRUMENTS (continued)

10.2 Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- * Long-term Liabilities
- * Provisions
- * Creditors
- * Bank Overdraft
- * Current Portion of Long-term Liabilities
- * Defined Benefit Obligations
- * Consumer Deposits
- * VAT

There are two main categories of Financial Liabilities, the classification based on how they are measured. Financial liabilities may be measured at:

- (i) Fair value through profit or loss; or
- (ii) Not at fair value through profit or loss ('other financial liabilities')

In accordance with IAS 39.09, all the Financial Liabilities of the municipality are classified as financial liabilities that are not measured at fair value through profit or loss.

Creditors

Creditors are stated at their nominal value.

10. FINANCIAL INSTRUMENTS (continued)

10.3 Measurement

Financial Instruments are in the current and prior years recognised and measured at cost. The requirement of IAS 39.43, AG 64, AG 65, AG 79 and SAICA circular 9 that financial instruments should initially be measured at fair value have been exempted in terms of General notice 552 of 2007.

Financial Assets

Held-to-maturity investments and loans-and-receivables are initially measured at fair value and subsequently measured at amortised cost. Financial assets at fair value and available-for-sale are initially and subsequently, at the end of each financial year, measured at fair value with the profit or loss being recognised in the Statement of Financial Performance.

Financial Liabilities

Financial liabilities that are not held-for-trading are measured at amortised cost using the effective interest rate method.

10.4 Impairment of Financial Assets

At each balance sheet date an assessment is made whether there is any objective evidence of impairment of Financial Assets. If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with IAS 39.

Consumer Debtors are stated at cost less a provision for bad debts. The provision is made in accordance with IAS39.64 whereby the recoverability of Consumer Debtors is assessed collectively after grouping the assets in financial assets with similar credit risks characteristics.

Loans and Receivables are non-derivative Financial Assets with fixed or determinable payments. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets. Loans and receivables are recognised initially at cost which represents fair value. After initial recognition Financial Assets are measured at amortised cost, using the effective interest rate method less a provision for impairment.

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

11. INVENTORIES

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Water and purified effluent are valued at purified cost insofar as it's stored and controlled in reservoirs at year-end.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and sold by public auction.

12. REVENUE RECOGNITION

Revenue for the current and prior financial year, was initially recognised at cost. The requirement of GAMAP 9.12 and SAICA circular 9/06 that the initial measurement of revenue be recognised at fair value through discounting all future receipts using an imputed rate of return have been exempted in terms of General notice 552 of 2007.

12.1 *Revenue from Exchange Transactions*

12.1.1 Service Charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council and are levied monthly.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

12.1.2 Pre-paid Electricity

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards are recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

12.1.3 Interest Earned

Interest and rentals are recognised on a time proportion basis.

12.1.4 Dividend and Royalties

Interest and rentals are recognised on a time proportion basis.

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2007**

12. REVENUE RECOGNITION (continued)

12.1 *Revenue from Exchange Transactions (continued)*

12.1.5 Traffic Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazette tariff. This includes the issuing of licenses and permits.

12.1.6 Income from Agency Services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

12.1.7 Housing Rental and Instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

12.1.8 Sale of Goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- .. The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- .. The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective
- .. The amount of revenue can be measured reliably.
- .. It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

12.1.9 Government Grants and Public Contributions

Revenue from government grants and public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where government grants and public contributions have been received but the municipality has not met the condition, a liability is recognised. The requirements of IAS20 (excluding paragraphs 24 and 26) have not been met in the current and prior financial years as these requirements have been exempted in terms of General notice 552 of 2007.

Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.

12.2 *Revenue from Non-exchange Transactions*

12.2.1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

12.2.2 Levies

Revenue from Regional Levies, both those based on turnover as well as those based on remuneration, is recognised on the payment due basis. Where declarations have not been submitted, estimated levies based on average data is accrued. Estimates are reviewed regularly to ensure that average data is appropriate.

12.2.3 Fines

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2007**

12. REVENUE RECOGNITION (continued)

12.2 Revenue from Non-exchange Transactions (continued)

12.2.4 Donations and Contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.

12.2.5 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

13. CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

14. PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the municipality.

15. POST-RETIREMENT BENEFITS

15.1 General

The municipality provides retirement benefits for its employees and councillors.

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement. A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

Contributions to defined contribution retirement benefit funds are recognised as an expense when employees and councillors have rendered employment service or served office entitling them to the contributions.

The defined benefit obligation, the related current cost and where applicable, past-service cost, is determined by using the Projected Unit

- 10% of the present value of the defined benefit obligation at that date (before deducting plan assets); and
- 10% of the fair value.

The portion of the actuarial gains and losses to be recognised is equal to the excess calculated, using the above limits and divided by the expected average remaining working lives of employees participating in the plan. Unvested past-service cost is recognised as an expense on the straight-line basis over the average period until the benefits become vested, while vested past-service costs are recognised as an expense in the Statement of Financial Performance.

The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

15. POST-RETIREMENT BENEFITS (continued)

15.2 *Medical Aid: Continued Members*

The Municipality provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the Municipality. According to the rules of the Medical Aid Funds, with which the Municipality is associated, a member (who is on the current conditions of service), on retirement, is entitled to remain a continued member of the medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee. The other medical aid funds, with which the Municipality is associated, do not provide for continued membership.

16. LEASES

16.1 *The Municipality as Lessee*

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due.

16.2 *The Municipality as Lesser*

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

17. BORROWING COSTS (expensed)

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

18. VALUE ADDED TAX

The Municipality accounts for Value Added Tax on the cash basis.

19. CASH AND CASH EQUIVALENTS

Cash includes cash-on-hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

20. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

SWARTLAND MUNICIPALITY**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007****21. IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

22. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

23. FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance.

24. COMPARATIVE INFORMATION**24.1** *Current year comparatives*

Budgeted amounts have been included in the Annual Financial Statements for the current financial year only.

24.2 *Prior year comparatives*

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
1. HOUSING DEVELOPMENT FUND		
Housing Development Fund	3,699,736	5,760,065
Unappropriated Surplus	1,066,449	2,419,004
Loans extinguished by Government on 1 April 1998	2,633,287	3,341,061
The Housing Development Fund is represented by the following assets and liabilities		
Housing selling scheme loans (see note 16)	2,633,287	3,341,061
Housing Rental Debtors (see note 18)	224,354	384,238
Bank and cash	842,095	2,034,766
Total Housing Development Fund Assets and Liabilities	3,699,736	5,760,065
2. LONG- TERM LIABILITIES		
Annuity Loans	28,077,272	30,228,463
Capitalised Lease Liability	344,515	-
Sub-total	28,421,787	30,228,463
Less : Current portion transferred to current liabilities	2,470,421	2,151,191
Annuity Loans	2,400,580	2,151,191
Capitalised Lease Liability	69,841	-
Total External Loans	25,951,366	28,077,272
Refer to Appendix A for more detail on long- term liabilities.		
3. PROVISION FOR POST RETIREMENT MEDICAL AID BENEFITS		
Provision for Post-Employment Health Care Benefits	18,451,268	17,238,790
Total Provision for Post Retirement Medical Aid Benefits	18,451,268	17,238,790
Less: Transfer to Current Provisions	873,650	787,665
Net Post-Employment Health Care Benefits liability	17,577,618	16,451,125
The Municipality provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the Municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.		
The Post Employment Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
- In-service members	200	183
- Continuation members	55	54
Total	255	237
The liability in respect of past service has been estimated to be as follows:		
- In-service members	8,027,848	5,955,495
- Continuation members	12,353,598	11,283,295
	20,381,446	17,238,790

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
3. PROVISION FOR POST RETIREMENT MEDICAL AID BENEFITS (Continued)		
The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:		
- Bonitas		
- Global Health		
- LA Health		
- Munimed		
- Samwumed		
The future service cost for the ensuing year is established to be R 848 905, whereas the interest-cost for the next year is estimated to be R 1 630 516.		
Key actuarial assumptions used:		
Discount rate	8.00 %	8.00 %
Health Care Cost Inflation Rate	6.50 %	6.50 %
Net Effective Discount Rate	1.41 %	1.41 %
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	20,381,446	17,238,790
Fair value of plan assets	-	-
	20,381,446	17,238,790
Unrecognised past service cost	-	-
Unrecognised actuarial losses	(1,930,178)	-
Present value of unfunded obligations	20,381,446	17,238,790
Net liability	18,451,268	17,238,790
The amount recognised in the Statement of Financial Performance are as follows:		
Current service cost	621,040	-
Interest cost	1,379,103	-
Vested past service cost	-	17,238,790
Total included in staff costs (Note 26)	2,000,143	17,238,790
The movement in the defined benefit obligation over the year is as follows:		
Balance at beginning of year	17,238,790	-
Current service cost	621,040	17,238,790
Interest cost	1,379,103	-
Benefits paid	(787,665)	-
Balance at end of year	18,451,268	17,238,790
The movement in the fair value of plan assets over the year is as follows:		
Fair value at beginning of the year	-	-
Employer contributions	787,665	-
Employee contributions	-	-
Benefits paid	(787,665)	-
	-	-

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

The effect of a 1 % movement in the assumed rate of health care cost inflation is as follows:

	Increase	Decrease
Effect on the aggregate of the current service cost and the interest cost	1,062,126	685,358
Effect on the defined benefit obligation	23,705,000	17,703,000
	2007	2006
	R	R

4. OTHER NON- CURRENT PROVISIONS***4.1 Long Service Awards***

Provision for Long Service Awards	2,782,650	2,385,606
Total Provision for Long Service Awards	2,782,650	2,385,606
Less: Transfer to Current Provisions	270,086	149,773
Net Long Service Awards liability	2,512,564	2,235,833

The Long Service Awards plans are defined benefit plans. As at year end, 533 employees were eligible for Long Service Awards.

The future service cost for the ensuing year is estimated to be R 402 542, whereas the interest-cost for the next year is estimated to be R 222 612.

Key actuarial assumptions used:

Discount rate	8.00 %	8.00 %
Health Care Cost Inflation Rate	6.50 %	6.50 %
Net Effective Discount Rate	1.41 %	1.41 %

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	2,782,650	2,385,606
Fair value of plan assets	-	-
	2,782,650	2,385,606
Unrecognised past service cost	-	-
Unrecognised actuarial losses	-	-
Present value of unfunded obligations	2,782,650	2,385,606
Net liability	2,782,650	2,385,606

The amount recognised in the Statement of Financial Performance are as follows:

Current service cost	341,842	-
Interest cost	190,848	-
Actuarial loss	313,198	-
Vested past service cost	-	2,385,606
Total included in staff costs (Note 26)	2,782,650	2,385,606

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	2007 R	2006 R
4. OTHER NON- CURRENT PROVISIONS (Continued)		
The movement in the defined benefit obligation over the year is as follows:		
Balance at beginning of year	2,385,606	-
Current service cost	341,842	2,385,606
Interest cost	190,848	-
Benefits paid	(448,844)	-
Actuarial losses recognised	313,198	-
Balance at end of year	2,782,650	2,385,606
The movement in the fair value of plan asset over the year is as follows:		
Fair value at beginning of the year		
Employer contributions	448,844	-
Employee contributions	-	-
Benefits paid	(448,844)	-
	-	-
The effect of a 1 % movement in the assumed rate of health care cost inflation is as follows:		
	Increase	Decrease
Effect on the aggregate of the current service cost and the interest cost	429,991	378,306
Effect on the defined benefit obligation	2,995,000	2,592,000
Refer to note 41 'Other Retirement Benefit Plan Information' to the financial Statements for more information regarding the Municipality's other retirement funds that is Provincially and Nationally administered.		
	2007 R	2006 R
5. CONSUMER DEPOSITS		
Electricity and Water	4,158,554	3,822,723
Interest paid	-	-
Total Consumer Deposits	4,158,554	3,822,723
Guarantees held in lieu of Electricity and Water Deposits	636,543	663,543
6. PROVISIONS		
Performance Bonus	-	-
Current portion of Post-Employment Health Care Benefits (see note 4 above)	873,650	787,665
Unbilled Electricity: Escom	-	845,891
Current portion of Long-Service Awards (see note 5 above)	270,086	149,773
Total Provisions	1,143,736	1,783,329

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007****6. PROVISIONS (Continued)**

The movement in current provisions are reconciled as follows:

	Performance Bonus	Post- Employment Health Care Benefits	Unbilled Electricity Escom	Current portion of Long- service
30 June 2007				
Balance at beginning of year	-	787,665	845,891	149,773
Transfer from non-current	-	873,650	-	270,086
Contributions to provision	-	-	-	299,071
Expenditure incurred	-	(787,665)	(845,891)	(448,844)
Reversal of provision	-	-	-	-
Balance at end of year	-	873,650	-	270,086
30 June 2006				
Balance at beginning of year	-	-	845,891	-
Transfer from non-current	-	-	-	149,773
Contributions to provision	-	17,238,790	-	-
Correction in error (see note 31)	-	(16,451,125)	-	-
Expenditure incurred	-	-	-	-
Balance at end of year	-	787,665	845,891	149,773

7. CREDITORS

	2007 R	2006 R
Trade creditors	19,340,832	12,796,065
Payments received in advance	354,768	68,788
Retentions	1,391,660	1,594,334
Staff leave gratuities	3,177,406	2,629,613
Other creditors	3,325,775	2,584,579
Total Creditors	27,590,441	19,673,379

8. UNSPENT CONDITIONAL GRANTS AND RECEIPTS**8.1 Conditional Grants by other spheres of Government**

	11,120,043	8,028,720
Abbotsdale Housing Project	114,108	114,108
Borehole: Kalbaskraal	-	120,000
Borehole: Rosenhof	-	14,569
Cleanest Town	83,471	-
Cleaning Projects Swartland	-	99,910
Community Development: Workers	24,280	-
Darling Pedestrian Route	61,982	61,982
Darling Sewerage Phase II	-	-
Drought Relief	2,500,000	2,500,000
Electricity Riebeek Kasteel/Kalbaskraal	435,975	-
Equitable Share	4,667,707	1,738,655
Financial Management Grant	511,926	416,833
Housing: Riebeek Kasteel	265,337	264,690
Ilinge Lethu Advisory Centre	98,558	-
Ilinge Lethu Multipurpose Centre	161,115	308,750
Ilinge Lethu Housing Project	18,254	18,254
Imbizo	-	-
Irrigation: Sewerage Water Cricket Field	120,000	120,000
Kalbaskraal Housing Project	75,458	75,458
Kalbaskraal Housing Project (2)	45,820	266,082
Klipiesdal Housing Project	-	-
Koringberg Sport Development	-	30,362
Koringberg Taxi Rank	-	99,711

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
8. UNSPENT CONDITIONAL GRANTS AND RECEIPTS (Continued)		
Local Government Transition Fund	-	188,422
Malmesbury Saamstaan Housing Project	50,427	50,427
Masibambani: Services	85,019	-
Masterplanning: Sewerage and Stormwater	-	-
Municipal Infrastructure Grant	183,733	-
Goedgedacht Sportgrounds	500,000	-
Regional Development	-	181,849
Riebeek Kasteel Extension 3 Housing Project	95,194	95,194
Riebeek Kasteel: Non Motorised Transport	57,214	-
Riebeek Wes Koinonia Housing Project	173,641	178,268
Riverlands/Chatsworth Sport	250,000	250,000
Sibanye Township	-	348,000
Soup Kitchen	7,878	55,106
Spatial Development Framework	297,057	110,000
Sport: Kalbaskraal	-	7,163
Swartland Youth Art School	-	31,038
Tourism	-	45,000
Upgrading: Polla Park	235,889	235,889
Vegetable Garden	-	3,000
8.2 Other Conditional Receipts	340,000	2,779
Heritage Survey	-	102
Investigation Potable Water	-	2,677
Spatial Development Plan	340,000	-
Total Conditional Grants and Receipts	11,460,043	8,031,499
See Note 24 for reconciliation of grants by other spheres of government.		
9. VAT		
VAT payable	414,758	1,157,235
VAT is payable on the receipts basis. Only once payment has been received from debtors is VAT paid over to SARS.		
10. SHORT-TERM LOANS		
Call Bonds	-	-
11. OPERATING LEASE LIABILITY		
Operating leases are recognized on the straight-line basis as per the requirement of IAS 17. The operating lease liability was calculated as follows:		
The operating lease liability was calculated as follows.		
Operating expenses recorded	862,043	-
Operating lease payments effected	(857,027)	-
Nett operating lease liability	5,016	-

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 20072007
R2006
R**12. PROPERTY, PLANT AND EQUIPMENT**

30 June 2007

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Total carried forward
	R	R	R	R	R
Carrying values at 1 July 2006	66,636,744	112,625,359	11,771,541	153,211	191,186,855
Cost	100,568,643	863,449,030	26,394,741	586,266	990,998,680
Correction of error	600,000	(5,554)	(600,000)	-	(5,554)
Revaluation	-	-	-	-	-
Accumulated depreciation	(34,531,899)	(750,818,117)	(14,023,200)	(433,055)	(799,806,271)
- Cost	(39,876,461)	(750,827,960)	(14,623,200)	(433,055)	(805,760,676)
- Correction of error	5,344,562	9,843	600,000	-	5,954,405
- Revaluation	-	-	-	-	-
Acquisitions	2,458,109	40,047,780	3,142,593	-	45,648,482
Capital under Construction	-	2,379,668	55,000	-	2,434,668
Increases/decreases in revaluation	-	-	-	-	-
Depreciation	(886,968)	(7,766,855)	(731,694)	(10,109)	(9,395,626)
- based on cost	(886,968)	(7,766,855)	(731,694)	(10,109)	(9,395,626)
- based on revaluation	-	-	-	-	-
Carrying value of disposals	(102,010)	-	-	-	(102,010)
Cost/revaluation	(102,010)	-	-	-	(102,010)
Accumulated depreciation	-	-	-	-	-
Impairment losses	-	-	-	-	-
Other movements	-	-	-	-	-
Carrying values at 30 June 2007	68,105,875	147,285,952	14,237,440	143,102	229,772,369
Cost	103,524,742	905,870,924	28,992,334	586,266	1,038,974,266
Correction of error (note 33)	-	-	-	-	-
Revaluation	-	-	-	-	-
Accumulated depreciation	(35,418,867)	(758,584,972)	(14,754,894)	(443,164)	(809,201,897)
- Cost	(35,418,867)	(758,584,972)	(14,754,894)	(443,164)	(809,201,897)
- Correction of error (note 33)	-	-	-	-	-
- Revaluation	-	-	-	-	-

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007****12. PROPERTY, PLANT AND EQUIPMENT (continued)**

30 June 2007

Reconciliation of Carrying Value	Total brought forward	Other	Housing Development Fund	Leased infrastructure	Total
R	R	R	R	R	R
Carrying values at 1 July 2006	191,186,855	13,972,187	893,455	-	206,052,497
Cost	990,998,680	28,521,663	1,613,177	-	1,021,133,520
Correction of error	(5,554)	(1,796,397)	-	-	(1,801,951)
Revaluation	-	-	-	-	-
Accumulated depreciation	(799,806,271)	(12,753,079)	(719,722)	-	(813,279,072)
- Cost	(805,760,676)	(14,976,996)	(719,722)	-	(821,457,394)
- Correction of error	5,954,405	2,223,917	-	-	8,178,322
- Revaluation	-	-	-	-	-
Acquisitions	45,648,482	2,846,256	-	-	48,494,738
Capital under Construction	2,434,668	-	-	-	2,434,668
Increases/decreases in revaluation	-	-	-	-	-
Depreciation	(9,395,626)	(1,967,928)	(67,489)	-	(11,431,043)
- based on cost	(9,395,626)	(1,967,928)	(67,489)	-	(11,431,043)
- based on revaluation	-	-	-	-	-
Carrying value of disposals	(102,010)	(71,852)	-	-	(173,862)
Cost/revaluation	(102,010)	(215,007)	-	-	(317,017)
Accumulated depreciation	-	143,155	-	-	143,155
Impairment losses	-	-	-	-	-
Other movements	-	-	-	-	-
Carrying values at 30 June 2007	229,772,369	14,778,663	825,966	-	245,376,998
Cost	1,038,974,266	29,356,515	1,613,177	-	1,069,943,958
Correction of error (note 33)	-	-	-	-	-
Revaluation	-	-	-	-	-
Accumulated depreciation	(809,201,897)	(14,577,852)	(787,211)	-	(824,566,960)
- Cost	(809,201,897)	(14,577,852)	(787,211)	-	(824,566,960)
- Correction of error (note 33)	-	-	-	-	-
- Revaluation	-	-	-	-	-

SWARTLAND MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

30 June 2006

Reconciliation of Carrying Value	Land and Buildings	Infra- structure	Community	Heritage	Total carried forward
R	R	R	R	R	R
Carrying values at 1 July 2005	57,270,820	87,336,054	9,564,281	163,320	154,334,475
Cost	108,692,097	831,556,890	13,168,899	30,140	953,448,026
Correction of error	(11,990,469)	169,612	10,398,592	556,126	(866,139)
Revaluation	-	-	-	-	-
Accumulated depreciation	(39,430,808)	(744,390,448)	(14,003,210)	(422,946)	(798,247,412)
- Cost	(49,935,257)	(743,612,064)	(3,769,111)	(6,029)	(797,322,461)
- Correction of error	10,504,449	(778,384)	(10,234,099)	(416,917)	(924,951)
- Revaluation	-	-	-	-	-
Acquisitions	1,625,547	21,393,284	2,827,250	-	25,846,081
Capital under Construction	2,241,468	10,329,244	-	-	12,570,712
Increases/decreases in revaluation	-	-	-	-	-
Depreciation	(817,653)	(6,437,512)	(619,990)	(10,109)	(7,885,264)
- based on cost	(817,653)	(6,437,512)	(619,990)	(10,109)	(7,885,264)
- based on revaluation	-	-	-	-	-
Carrying value of disposals	372,000	-	-	-	372,000
Cost/revaluation	372,000	-	-	-	372,000
Accumulated depreciation	-	-	-	-	-
Impairment losses	60,692,182	-	-	-	-
Other movements	-	-	-	-	-
Carrying values at 30 June 2006	66,636,744	112,625,359	11,771,541	153,211	191,186,855
Cost	100,568,643	863,449,030	26,394,741	586,266	990,998,680
Correction of error (note 33)	600,000	(5,554)	(600,000)	-	(5,554)
Revaluation	-	-	-	-	-
Accumulated depreciation	(34,531,899)	(750,818,117)	(14,023,200)	(433,055)	(799,806,271)
- Cost	(39,876,461)	(750,827,960)	(14,623,200)	(433,055)	(805,760,676)
- Correction of error (note 33)	5,344,562	9,843	600,000	-	5,954,405
- Revaluation	-	-	-	-	-

SWARTLAND MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

30 June 2006

Reconciliation of Carrying Value	Total brought forward	Other	Housing Development Fund	Leased infrastructure	Total
R	R	R	R	R	R
Carrying values at 30 June 2005	154,334,475	12,362,529	960,944	-	167,657,948
Cost	953,448,026	23,823,058	2,223,263	-	979,494,347
Correction of error	(866,139)	1,476,225	(610,086)	-	-
Revaluation	-	-	-	-	-
Accumulated depreciation	(798,247,412)	(12,936,754)	(652,233)	-	(811,836,399)
- Cost	(797,322,461)	(12,764,487)	(1,262,318)	-	(811,349,266)
- Correction of error	(924,951)	(172,267)	610,085	-	(487,133)
- Revaluation	-	-	-	-	-
Acquisitions	25,846,081	3,333,565	-	-	29,179,646
Capital under Construction	12,570,712	117,419	-	-	12,688,131
Increases/decreases in revaluation	-	-	-	-	-
Depreciation	(7,885,264)	(2,268,846)	(67,489)	-	(10,221,599)
- based on cost	(7,885,264)	(2,268,846)	(67,489)	-	(10,221,599)
- based on revaluation	-	-	-	-	-
Carrying value of disposals	372,000	-	-	-	372,000
Cost/revaluation	372,000	-	-	-	372,000
Accumulated depreciation	-	-	-	-	-
Impairment losses	-	-	-	-	-
Other movements	-	-	-	-	-
Carrying values at 30 June 2006	191,186,855	13,972,187	893,455	-	206,052,497
Cost	990,998,680	28,521,663	1,613,177	-	1,021,133,520
Correction of error (note 33)	(5,554)	(1,796,397)	-	-	(1,801,951)
Revaluation	-	-	-	-	-
Accumulated depreciation	(799,806,271)	(12,753,079)	(719,722)	-	(813,279,072)
- Cost	(805,760,676)	(14,976,996)	(719,722)	-	(821,457,394)
- Correction of error (note 33)	5,954,405	2,223,917	-	-	8,178,322
- Revaluation	-	-	-	-	-

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
13. INTANGIBLE ASSETS		
At cost less accumulated depreciation	<u>1,013,637</u>	<u>40,923</u>
The movement in investment properties are reconciled as follows:		
Carrying values at the beginning of the year	40,924	-
Cost	51,154	-
Accumulated Amortisation	(10,230)	-
Accumulated Impairment	-	-
Acquisitions	-	-
Disposals	-	-
Work in progress	982,944	-
Depreciation	(10,231)	-
Impairment Losses	-	-
Carrying value at the end of the year	1,013,637	-
Cost	1,034,098	-
Accumulated Amortisation	(20,461)	-
Accumulated Impairment	-	-
No restrictions apply to the intangible assets.		
Comparative amounts for the previous year not available.		
14. INVESTMENT PROPERTY		
At cost less accumulated depreciation	<u>25,110,659</u>	<u>26,678,005</u>
The movement in investment properties are reconciled as follows:		
Carrying value at the beginning of the year	26,678,005	-
Cost	32,615,600	-
Accumulated depreciation	-	-
Accumulated Impairment Losses	-	-
Correction of error (note 33)	(5,937,595)	-
Additions to existing investment properties	1,946,750	-
Disposals	-	-
Depreciation	50,850	-
Impairment losses	-	-
Transfers	(3,463,246)	-
Carrying value at the end of the year	25,110,659	-
Cost	31,099,104	-
Accumulated depreciation	(5,988,445)	-
Accumulated Impairment Losses	-	-
The following is included in the net surplus/(deficit)		
Rental revenue earned from Investment Properties	173,060	-
Direct Operating expenses - incurred to generate rental revenue	864,227	-
Direct Operating expenses - incurred which did not generate rental revenue	33,289	-
There are no restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal.		
There are no contractual obligations.		
Fair Value of investment properties.	-	-
The Fair value of investment properties is based on the valuation performed by a professional valuer (this has been exempted)		
Comparative amounts for the previous year not available.		

SWARTLAND MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
15. INVESTMENTS		
Financial Instruments		
Fixed Deposits	94,009,750	88,000,000
Total Cash Investments	94,009,750	88,000,000
Total Investments	94,009,750	88,000,000
16. LONG-TERM RECEIVABLES		
Loans to Sport Clubs	25,643	39,485
Loans to Public Organisations	600,685	654,515
Car loans	281,336	527,142
Housing selling scheme loans	2,032,602	2,686,546
	2,940,266	3,907,688
Less : Current portion transferred to current receivables	508,107	577,021
Loans to Sport Clubs	13,679	13,842
Loans to Public Organisations	36,265	45,251
Car loans	107,157	150,122
Housing selling scheme loans	351,006	367,806
Total	2,432,159	3,330,667
LOANS TO SPORT CLUBS		
Loans were granted to enable sport clubs to finance specific improvements, relevant to their activities, on land rent from the Municipality. In accordance with conditions attached to such loans the improvements thus erected revert to the Municipality at the expiration of the term of the lease. Loans are repaid over periods varying from ten to twenty years and at interest rates varying from eight to ten percent per annum.		
LOANS TO PUBLIC ORGANISATIONS		
Under the previous dispensation loans raised at an interest rate of one percent per annum repayable over a period of forty years, were granted by the State to the Municipality who in turn, made the said loans available to Public Organisations for the purpose of providing housing to indigent old age persons. The Municipality merely acted as an intermediary between the State and such Organisations. The outstanding balances of these loans were subsequently written off by the State whilst the annual instalment, still recoverable from the various Organisations, are credited to the Housing Fund. (See note 1)		
CAR LOANS		
Prior to the coming into effect of the provisions of section 164(1)(c) of the MFMA (Act 56 of 2003) on 1 July 2004, loans were granted to qualifying senior staff members to enable them to acquire a motor vehicle. The vehicle must be made available daily by the staff member for his use in the carrying out of his official duties. The repayment period of these loans and the applicable interest rate is a maximum of six years and eight percent per annum, respectively.		
HOUSING SELLING SCHEME LOANS		
Loans were granted to the tenants of low cost housing erected by the Municipality with funds provided by the State, in order to enable them to purchase the houses they previously rent from the Municipality. Loans are repaid over a period of twenty years and at an interest rate of 13.5 percent per annum. The instalments of interest and redemption recoverable from the purchasers are credited to the Housing Fund. (See note 1)		
17. INVENTORY		
Consumable stores - at cost	1,515,036	1,264,473
Stationery - at cost	557,468	291,093
Water - at cost	86,339	70,815
Unsold properties held for resale	4,884,515	2,129,265
Total Inventory	7,043,358	3,755,646

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2007**

	Gross Balances	Provision for Bad Debts	Net Balances
18. CONSUMER DEBTORS			
As at 30 June 2007			
Service debtors	19,677,633	2,358,326	17,319,307
Rates	5,061,412	903,985	4,157,427
Electricity	7,620,094	475,372	7,144,722
Water	2,934,749	362,964	2,571,785
Sewerage	2,419,970	341,550	2,078,420
Refuse Removal	1,641,408	274,455	1,366,953
Housing rentals	224,354	124,490	99,864
Total	19,901,987	2,482,816	17,419,171
As at 30 June 2006			
Service debtors	16,690,765	3,472,534	13,218,231
Rates	5,115,450	1,096,817	4,018,633
Electricity	4,603,689	255,524	4,348,165
Water	2,164,266	443,750	1,720,516
Sewerage	2,690,898	1,019,745	1,671,153
Refuse Removal	2,116,462	656,698	1,459,764
Housing rentals	384,238	229,874	154,364
Total	17,075,003	3,702,408	13,372,595
<u>Rates: Ageing</u>			
Current (0 - 30 days)		2,433,703	2,130,386
31 - 60 Days		604,127	498,170
61 - 90 Days		181,115	335,298
91 - 120 Days		133,198	322,441
121 - 150 Days		90,418	101,876
151 - 180 Days		115,149	70,877
181 - 365 Days		811,113	1,210,422
366 Days - 2 Years		577,265	140,252
2 - 3 Years		60,131	142,051
+ 3 Years		55,193	163,677
Total		5,061,412	5,115,450
<u>(Electricity, Water, Sewerage and Refuse Removal): Ageing</u>			
Current (0 - 30 days)		7,096,190	5,791,104
31 - 60 Days		1,370,012	1,329,660
61 - 90 Days		346,708	883,072
91 - 120 Days		236,798	321,434
121 - 150 Days		209,216	363,875
151 - 180 Days		247,039	185,766
181 - 365 Days		1,167,794	907,918
366 Days - 2 Years		3,427,759	849,658
2 - 3 Years		270,671	432,977
+ 3 Years		244,034	509,851
Total		14,616,221	11,575,315

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007**18. CONSUMER DEBTORS (continued)**

	2007	2006
	R	R
<u>Housing rentals: Ageing</u>		
Current (0 - 30 days)	55,891	61,672
31 - 60 Days	21,870	30,486
61 - 90 Days	4,673	7,046
91 - 120 Days	4,285	5,813
121 - 150 Days	4,081	5,212
151 - 180 Days	3,281	28,200
181 - 365 Days	26,720	61,113
366 Days - 2 Years	42,266	65,234
2 - 3 Years	23,600	45,810
+ 3 Years	37,687	73,652
Total	224,354	384,238

Summary of Debtors by Customer Classification

	<u>Consumers</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
	R	R	R
30th June 2007			
Current (0 - 30 days)	7,708,738	4,135,438	631,881
31 - 60 Days	1,522,542	424,185	49,282
61 - 90 Days	423,109	75,795	33,592
91 - 120 Days	286,900	53,045	34,336
121 - 150 Days	227,891	47,871	27,953
151 - 180 Days	286,411	50,363	28,696
181 - 365 Days	1,473,137	436,366	96,125
366 Days - 2 Years	622,821	497,138	37,058
2 - 3 Years	329,437	17,120	7,844
+ 3 Years	266,506	54,644	15,763
Sub-total	13,147,492	5,791,965	962,530
Less: Provision for bad debts	(1,998,755)	(382,061)	(102,000)
Total debtors by customer classification	11,148,737	5,409,904	860,530

Summary of Debtors by Customer Classification

	<u>Consumers</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
	R	R	R
30th June 2006			
Current (0 - 30 days)	-	-	-
31 - 60 Days	-	-	-
61 - 90 Days	-	-	-
91 - 120 Days	-	-	-
121 - 150 Days	-	-	-
151 - 180 Days	-	-	-
181 - 365 Days	-	-	-
366 Days - 2 Years	-	-	-
2 - 3 Years	-	-	-
+ 3 Years	-	-	-
Sub-total	-	-	-
Less: Provision for bad debts	-	-	-
Total debtors by customer classification	-	-	-

Comparative amounts for the previous year not available.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
19. OTHER DEBTORS		
Payments made in advance	312,381	4,779
Unauthorized expenditure (see Note 38.1)	-	-
Fruitless and wasteful expenditure (see Note 38.2)	-	-
Insurance claims	10,881	74,228
Government grants and subsidies	-	823,398
Other conditional grants	-	1,273,000
Provincial health subsidies	1,378,542	942,028
Proclaimed roads subsidies	-	-
Sundry debtors	6,013,131	4,739,047
Less : Provision for bad debts	(504,109)	(805,610)
Total Other Debtors	<u>7,210,826</u>	<u>7,050,870</u>
<u>Reconciliation of the bad debt provision</u>		
Balance at beginning of the year	4,508,018	2,710,640
Contributions to provision	2,632,099	3,286,962
Bad debts written off against provision	(4,153,192)	(1,489,584)
Reversal of provision	-	-
Balance at end of year	<u>2,986,925</u>	<u>4,508,018</u>
20. CALL INVESTMENT DEPOSITS		
Other Deposits	<u>454,148</u>	<u>353,272</u>
21. BANK, CASH AND OVERDRAFT BALANCES		
The Municipality has the following bank accounts: -		
<u>Current Account (Primary Bank Account) (OTM account)</u>		
ABSA Bank Limited - Public Sector Account Number 40 5369 2381		
Bank statement balance at beginning of year	<u>2,185,681</u>	<u>7,114,926</u>
Bank statement balance at end of year	<u>2,562,466</u>	<u>2,185,681</u>
<u>Current Account</u>		
ABSA Bank Limited - Public Sector Account Number 40 5369 1741		
Bank statement balance at beginning of year	<u>8,349,680</u>	<u>5,029,777</u>
Bank statement balance at end of year	<u>1,126,855</u>	<u>8,349,680</u>
<u>Current Account (ACB account)</u>		
ABSA Bank Limited - Public Sector Account Number 40 5369 2399		
Bank statement balance at beginning of year	<u>1,036,264</u>	<u>811,908</u>
Bank statement balance at end of year	<u>441,478</u>	<u>1,036,264</u>

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
21. BANK, CASH AND OVERDRAFT BALANCES (continued)		
<u>Current Account (Cash account)</u>		
ABSA Bank Limited - Public Sector Account Number 40 5369 2466		
Bank statement balance at beginning of year	<u>74,665</u>	<u>74,901</u>
Bank statement balance at end of year	<u>74,574</u>	<u>74,665</u>
<u>Summary</u>		
Cash book balance at beginning of year	<u>16,298,073</u>	<u>12,407,526</u>
Cash book balance at end of year	<u>4,519,633</u>	<u>16,298,073</u>
Bank statement balance at beginning of year	<u>11,646,290</u>	<u>13,031,512</u>
Bank statement balance at end of year	<u>4,205,373</u>	<u>11,646,290</u>
22. PROPERTY RATES		
<u>Actual</u>		
Residential, Commercial, Industrial, Rural and Other	35,232,871	31,285,306
State	1,747,745	1,298,196
Municipal	1,498,477	1,371,654
Total Assessment Rates	<u>38,479,093</u>	<u>33,955,156</u>
<u>Valuations</u>		
	July 2007	July 2006
	R 000's	R 000's
<u>Actual</u>		
Residential, Commercial, Industrial, Rural and Other	4,067,038,860	3,925,564,110
State	145,645,400	144,888,400
Municipal	124,886,200	122,469,100
Total Assessment Rates	<u>4,337,570,460</u>	<u>4,192,921,610</u>
	2007	2006
	R	R
23. SERVICE CHARGES		
Sale of electricity	60,202,359	53,471,840
Sale of water	17,804,312	15,665,153
Refuse removal	9,413,263	8,328,313
Sewerage and sanitation charges	12,274,781	11,069,906
Total Service Charges	<u>99,694,715</u>	<u>88,535,212</u>

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
24. GOVERNMENT GRANTS AND SUBSIDIES		
Abbotsdale Housing Project	-	907
Borehole: Kalbaskraal	120,000	-
Borehole: Rosenhof	14,569	145,431
Cleanest Town	36,529	-
Cleaning Projects Swartland	99,910	97,072
Community Development: Workers	-	-
Darling Pedestrian Route	-	538,018
Darling Sewerage Phase II	1,483,179	5,316,673
Drought Relief	-	-
Electricity Riebeek Kasteel/Kalbaskraal	1,191,364	-
Equitable Share	6,422,931	5,857,484
Financial Management Grant	404,907	719,558
Housing: Riebeek Kasteel	6,539,761	5,872,430
Ilinge Lethu Advisory Centre	171,442	-
Ilinge Lethu Multipurpose Centre	172,654	-
Ilinge Lethu Housing Project	-	409
Imbizo	40,000	-
Irrigation: Sewerage Water Cricket Field	-	-
Kalbaskraal Housing Project	-	55,087
Kalbaskraal Housing Project (2)	1,567,438	1,275,640
Klippiessdal housing Project	65,163	-
Koringberg Sport Development	30,362	1,611
Koringberg Taxi Rank	99,711	200,289
Local Government Transition Fund	101,365	220,367
Malmesbury Saamstaan Housing Project	-	-
Masibambani: Services	439,981	-
Masterplanning: Sewerage and Stormwater	63,000	-
Municipal Infrastructure Grant	3,371,913	4,358,153
Goedverwacht Sportgrounds	-	-
Regional Development	181,849	-
Riebeek Kasteel Extension 3 Housing Project	-	-
Riebeek Kasteel: Non Motorised Transport	442,786	550,000
Riebeek Wes Koinonia Housing Project	4,627	25,452
Riverlands/Chatsworth Sport	-	-
Sibanye Township	348,000	-
Soup Kitchen	47,228	43,349
Spatial Development Framework	-	-
Sport: Kalbaskraal	7,163	61,360
Swartland Youth Art School	31,038	112,562
Tourism	45,000	-
Upgrading: Polla Park	-	662,111
Vegetable Garden	3,000	-
Library	-	77,329
Darling Housing Project	-	251,160
Upgrading: Taxi Terminal	-	95,261
Travelling Cost	-	5,000
Ilinge Lethu Centre	-	251,947
Provincial Health Subsidies	4,879,346	4,641,140
Proclaimed Roads Subsidies	578,000	545,391
Total Government Grant and Subsidies	29,004,216	31,981,191
24.1 Abbotsdale Housing Project		
Balance unspent at beginning of year	114,108	115,015
Current year receipts	-	-
Conditions met - transferred to revenue	-	(907)
Conditions still to be met transferred to liabilities (see note 8)	114,108	114,108

The various projects, financed with funds provided by the Department of Housing of the PAWC have all been finalized. Advice is awaited from the Department as to the disposal of the surplus monies still on hand.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
24.2 Borehole Kalbaskraal		
Balance unspent at beginning of year	120,000	120,000
Current year receipts	-	-
Conditions met - transferred to revenue	(120,000)	-
Conditions still to be met transferred to liabilities (see note 8)	-	120,000

Finance made available to sink boreholes for the purpose of irrigation of sport fields thereby relieving the demand on the Municipality's potable water resources.

24.3 Borehole Rosenhof		
Balance unspent at beginning of year	14,569	160,000
Current year receipts	-	-
Conditions met - transferred to revenue	(14,569)	(145,431)
Conditions still to be met transferred to liabilities (see note 8)	-	14,569

Finance made available to sink boreholes for the purpose of irrigation of sport fields thereby relieving the demand on the Municipality's potable water resources.

24.4 Cleanest Town		
Balance unspent at beginning of year	-	-
Current year receipts	120,000	-
Conditions met - transferred to revenue	(36,529)	-
Conditions still to be met transferred to liabilities (see note 8)	83,471	-

Prize money for winning the cleanest town competition.

24.5 Cleaning Projects Swartland		
Balance unspent at beginning of year	99,910	146,982
Current year receipts	-	50,000
Conditions met - transferred to revenue	(99,910)	(97,072)
Conditions still to be met transferred to liabilities (see note 8)	-	99,910

Funds provided to enable the Municipality to appoint contractors to undertake cleaning up operations in the various urban areas under its jurisdiction.

24.6 Community Development: Workers		
Balance unspent at beginning of year	-	-
Current year receipts	24,280	-
Conditions met - transferred to revenue	-	-
Conditions still to be met transferred to liabilities (see note 8)	24,280	-

Funds made available for sundry expenditure and stationary for workers, in the control of the Municipality but paid by PAWC.

24.7 Darling Pedestrian Route		
Balance unspent at beginning of year	61,982	-
Current year receipts	-	600,000
Conditions met - transferred to revenue	-	(538,018)
Conditions still to be met transferred to liabilities (see note 8)	61,982	61,982

Funds provided and partly expended on the construction of a pedestrian walk way in Darling East.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
24.8 Darling Sewerage Phase II		
Balance unspent at beginning of year	-	58,528
Current year receipts	1,483,179	4,654,794
Conditions met - transferred to revenue	(1,483,179)	(5,316,673)
Conditions met - included in debtors (see note 16)	-	603,351
Conditions still to be met transferred to liabilities (see note 8)	-	-

Funds allocated for and spent on the extension and upgrading of the sewerage scheme at Darling town.

24.9 Drought Relief		
Balance unspent at beginning of year	2,500,000	-
Current year receipts	-	2,500,000
Conditions met - transferred to revenue	-	-
Conditions still to be met transferred to liabilities (see note 8)	2,500,000	2,500,000

Funds made available to solve water supply problems experienced by the Municipality as a result of drought conditions and to improve the prevailing water supply emergencies within its jurisdictional area.

24.10 Electricity Riebeek Kasteel/Kalbaskraal		
Balance unspent at beginning of year	-	-
Current year receipts	1,627,339	-
Conditions met - transferred to revenue	(1,191,364)	-
Conditions still to be met transferred to liabilities (see note 8)	435,975	-

Funds allocated for and spent on the extension and upgrading of the electrical scheme at Riebeek Kasteel and Kalbaskraal towns.

24.11 Equitable Share		
Balance unspent at beginning of year	1,738,655	287,884
Current year receipts	9,351,983	7,308,255
Conditions met - transferred to revenue	(6,422,931)	(5,857,484)
Conditions still to be met transferred to liabilities (see note 8)	4,667,707	1,738,655

Funds allocated to enable the Municipality to provide financial assistance to registered indigent households occupying premises within its area of jurisdiction, towards the settlement or partial settlement of charges for basic municipal services and property rates.

24.12 Financial Management Grant		
Balance unspent at beginning of year	416,833	636,391
Current year receipts	500,000	500,000
Conditions met - transferred to revenue	(404,907)	(719,558)
Conditions still to be met transferred to liabilities (see note 8)	511,926	416,833

The purpose of the grant is to enable the Municipality to modernise and improve its financial management entailing, among others, capacity building, the implementation of municipal finance management legislation and regulating policies and compliance with generally accepted municipal accounting practices.

24.13 Housing Riebeek Kasteel		
Balance unspent at beginning of year	264,690	467,357
Current year receipts	6,540,408	5,669,763
Conditions met - transferred to revenue	(6,539,761)	(5,872,430)
Conditions still to be met transferred to liabilities (see note 8)	265,337	264,690

The various projects, financed with funds provided by the Department of Housing of the PAWC have all been finalized. Advice is awaited from the Department as to the disposal of the surplus monies still on hand.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
24.14 Ilinge Lethu Advisory Centre		
Balance unspent at beginning of year	-	-
Current year receipts	270,000	-
Conditions met - transferred to revenue	(171,442)	-
Conditions still to be met transferred to liabilities (see note 8)	98,558	-
Funds provided to the Municipality to finance the cost of the transformation of the existing inadequate facility serving the township into a suitable community centre.		
24.15 Ilinge Lethu Multipurpose Centre		
Balance unspent at beginning of year	308,750	-
Current year receipts	25,019	308,750
Conditions met - transferred to revenue	(172,654)	-
Conditions still to be met transferred to liabilities (see note 8)	161,115	308,750
Funds provided to the Municipality to finance the cost of the transformation of the existing inadequate facility serving the township into a suitable community centre.		
24.16 Ilinge Lethu Housing Project		
Balance unspent at beginning of year	18,254	18,663
Current year receipts	-	-
Conditions met - transferred to revenue	-	(409)
Conditions still to be met transferred to liabilities (see note 8)	18,254	18,254
The various projects, financed with funds provided by the Department of Housing of the PAWC have all been finalized. Advice is awaited from the Department as to the disposal of the surplus monies still on hand.		
24.17 Imbizo		
Balance unspent at beginning of year	-	-
Current year receipts	40,000	-
Conditions met - transferred to revenue	(40,000)	-
Conditions still to be met transferred to liabilities (see note 8)	-	-
Financial aid amounting to R 40 000.00 was received from PAWC to finance the cost incurred by the Municipality in connection with the National Imbizo week held at Malmesbury in October 2006 by the said Government		
24.18 Irrigation Sewerage Water Cricket Field		
Balance unspent at beginning of year	120,000	120,000
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met transferred to liabilities (see note 8)	120,000	120,000
Funds provided for the installation of pipe-lines and accessories in order to allow for the watering of the Malmesbury Cricket field with purified sewerage water, thereby relieving the demand on the municipality's available potable water resources.		
24.19 Kalbaskraal Housing Project		
Balance unspent at beginning of year	75,458	130,545
Current year receipts	-	-
Conditions met - transferred to revenue	-	(55,087)
Conditions still to be met transferred to liabilities (see note 8)	75,458	75,458
The various projects, financed with funds provided by the Department of Housing of the PAWC have all been finalized. Advice is awaited from the Department as to the disposal of the surplus monies still on hand.		

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
24.20 Kalbaskraal Housing Project (2)		
Balance unspent at beginning of year	266,082	-
Current year receipts	1,347,176	1,541,722
Conditions met - transferred to revenue	(1,567,438)	(1,275,640)
Conditions still to be met transferred to liabilities (see note 8)	45,820	266,082

The various projects, financed with funds provided by the Department of Housing of the PAWC have all been finalized. Advice is awaited from the Department as to the disposal of the surplus monies still on hand.

24.21 Klippiesdal Housing Project		
Balance unspent at beginning of year	-	-
Current year receipts	65,163	-
Conditions met - transferred to revenue	(65,163)	-
Conditions still to be met transferred to liabilities (see note 8)	-	-

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

24.22 Koringberg Sport Development		
Balance unspent at beginning of year	30,362	31,973
Current year receipts	-	-
Conditions met - transferred to revenue	(30,362)	(1,611)
Conditions still to be met transferred to liabilities (see note 8)	-	30,362

Funds provided to enable the Municipality to finance the construction costs of sport facilities.

24.23 Koringberg Taxi Rank		
Balance unspent at beginning of year	99,711	-
Current year receipts	-	300,000
Conditions met - transferred to revenue	(99,711)	(200,289)
Conditions still to be met transferred to liabilities (see note 8)	-	99,711

Funds provided for the construction of taxi rank facilities.

24.24 Local Government Transition Fund		
Balance unspent at beginning of year	188,422	263,817
Current year receipts	-	144,972
Conditions met - transferred to revenue	(101,365)	(220,367)
Transferred to Spatial Development Framework	(87,057)	-
Conditions still to be met transferred to liabilities (see note 8)	-	188,422

Funds allocated to assist the Municipality with the funding of expenditure it was obliged to incur, flowing from the demarcation process and resultant establishment of the new municipality.

24.25 Malmesbury Saamstaan Housing Project		
Balance unspent at beginning of year	50,427	50,427
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met transferred to liabilities (see note 8)	50,427	50,427

The various projects, financed with funds provided by the Department of Housing of the PAWC have all been finalized. Advice is awaited from the Department as to the disposal of the surplus monies still on hand.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
24.26 Masibambani		
Balance unspent at beginning of year	-	-
Current year receipts	525,000	-
Conditions met - transferred to revenue	(439,981)	-
Conditions still to be met transferred to liabilities (see note 8)	85,019	-
Funds provided for the compiling of masterplans.		
24.27 Masterplanning: Sewerage and Stormwater		
Balance unspent at beginning of year	-	-
Current year receipts	63,000	-
Conditions met - transferred to revenue	(63,000)	-
Conditions still to be met transferred to liabilities (see note 8)	-	-
Funds provided for the compiling of masterplans.		
24.28 Municipal Infrastructure Grant		
Balance unspent at beginning of year	-	-
Current year receipts	3,555,646	4,358,153
Conditions met - transferred to revenue	(3,371,913)	(4,358,153)
Conditions still to be met transferred to liabilities (see note 8)	183,733	-
Funds made available to the Municipality for the upgrading of existing infrastructure in its area of jurisdiction and/or the erection/construction of new amenities required for service delivery.		
24.29 Goedgezicht Sportgrounds		
Balance unspent at beginning of year	-	-
Current year receipts	500,000	-
Conditions met - transferred to revenue	-	-
Conditions still to be met transferred to liabilities (see note 8)	500,000	-
Funds provided to the Municipality to finance the cost of the transformation of the existing inadequate sport facilities.		
24.30 Regional Development		
Balance unspent at beginning of year	181,849	181,849
Current year receipts	-	-
Conditions met - transferred to revenue	(181,849)	-
Conditions still to be met transferred to liabilities (see note 8)	-	181,849
24.31 Riebeek Kasteel Extension 3 Housing Project		
Balance unspent at beginning of year	95,194	95,194
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met transferred to liabilities (see note 8)	95,194	95,194

The various projects, financed with funds provided by the Department of Housing of the PAWC have all been finalized. Advice is awaited from the Department as to the disposal of the surplus monies still on hand.

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	2007 R	2006 R
24.32 Riebeek Kasteel: Non Motorised Transport		
Balance unspent at beginning of year	-	-
Current year receipts	500,000	550,000
Conditions met - transferred to revenue	(442,786)	(550,000)
Conditions still to be met transferred to liabilities (see note 8)	57,214	-
Funds appropriated for and utilized on the construction of pavements and pedestrian walk ways in Riebeek Kasteel town.		
24.33 Riebeek Wes Koinonia Housing Project		
Balance unspent at beginning of year	178,268	203,720
Current year receipts	-	-
Conditions met - transferred to revenue	(4,627)	(25,452)
Conditions still to be met transferred to liabilities (see note 8)	173,641	178,268
The various projects, financed with funds provided by the Department of Housing of the PAWC have all been finalized. Advice is awaited from the Department as to the disposal of the surplus monies still on hand.		
24.34 Riverlands/Chatsworth Sport		
Balance unspent at beginning of year	250,000	250,000
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met transferred to liabilities (see note 8)	250,000	250,000
Approval had been obtained from the relevant authority to utilize the funds allocated for the establishment of sport facilities at Riverlands and Chatsworth for the financing of the same kind of facilities at Kalbaskraal, as no land could be made available for the said purpose at the forenamed towns.		
24.35 Sibanye Township		
Balance unspent at beginning of year	348,000	348,000
Current year receipts	-	-
Conditions met - transferred to revenue	(348,000)	-
Conditions still to be met transferred to liabilities (see note 8)	-	348,000
Funds allocated to the Municipality to prepare building plots and install services in an area earmarked for the re-settlement of squatters.		
24.36 Soup Kitchen		
Balance unspent at beginning of year	55,106	18,455
Current year receipts	-	80,000
Conditions met - transferred to revenue	(47,228)	(43,349)
Conditions still to be met transferred to liabilities (see note 8)	7,878	55,106
The available allocated funds was, accept for an unspent balance at year end, spent on the purchase of food stuff/ingredients in order to provide meals to poor inhabitants of the municipal area.		
24.37 Spatial Development Framework		
Balance unspent at beginning of year	110,000	-
Current year receipts	100,000	110,000
Conditions met - transferred to revenue	-	-
Transferred from Local Government Transition Fund	87,057	-
Conditions still to be met transferred to liabilities (see note 8)	297,057	110,000
Financial aid provided to support the Municipality with the process of the drafting of spatial development framework and other town planning initiatives.		

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
24.38 Sport: Kalbaskraal		
Balance unspent at beginning of year	7,163	68,523
Current year receipts	-	-
Conditions met - transferred to revenue	(7,163)	(61,360)
Conditions still to be met transferred to liabilities (see note 8)	-	7,163
Funds provided to the Municipality to finance the cost of the transformation of the existing inadequate sport facilities.		
24.39 Swartland Youth Art School		
Balance unspent at beginning of year	31,038	143,600
Current year receipts	-	-
Conditions met - transferred to revenue	(31,038)	(112,562)
Conditions still to be met transferred to liabilities (see note 8)	-	31,038
The grant was made for the development of artistic talent of the youth of the municipal area and encouragement of artistic participation from surrounding areas.		
24.40 Tourism		
Balance unspent at beginning of year	45,000	45,000
Current year receipts	-	-
Conditions met - transferred to revenue	(45,000)	-
Conditions still to be met transferred to liabilities (see note 8)	-	45,000
Financial aid received from the WCDM for the promotion of tourism in the municipal area.		
24.41 Upgrading: Polla Park Township		
Balance unspent at beginning of year	235,889	328,000
Current year receipts	-	570,000
Conditions met - transferred to revenue	-	(662,111)
Conditions still to be met transferred to liabilities (see note 8)	235,889	235,889
Funds allocated and expended in connection with the installation of services and the construction of sanitary conveniences.		
24.42 Vegetable Garden		
Balance unspent at beginning of year	3,000	-
Current year receipts	-	3,000
Conditions met - transferred to revenue	(3,000)	-
Conditions still to be met transferred to liabilities (see note 8)	-	3,000
Monies made available to finance the cost of a water supply connection at land used for the growing of vegetables by indigents as part of a community development program.		
24.43 Floodlights Darling Sportgrounds		
Balance unspent at beginning of year	-	49,389
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Transferred to MIG grant	-	(49,389)
Conditions still to be met transferred to liabilities (see note 8)	-	-
Funds provided and utilized for the erection of sport fields at the Gabriel Pharo Sport fields.		

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
24.44 Library		
Balance unspent at beginning of year	-	126,409
Current year receipts	-	-
Conditions met - transferred to revenue	-	(77,329)
Conditions not met - consequently refunded	-	(49,080)
Conditions still to be met transferred to liabilities (see note 8)	<u>-</u>	<u>-</u>

The grant received from the Western Cape Provincial Administration for the erection of library facilities was, together with interest earned on the temporary investment of available monies, utilized for the said purpose except for an unspent balance of R 49 080 upon completion of the project, which was refunded to the Administration.

24.45 Darling Housing Project

Balance unspent at beginning of year	-	-
Current year receipts	-	251,160
Conditions met - transferred to revenue	-	(251,160)
Conditions still to be met transferred to liabilities (see note 8)	<u>-</u>	<u>-</u>

The unappropriated funds at 30 June 2005 was largely spent during the financial year in connection with the purpose of the allocation.

24.46 Upgrading: Taxi Terminal

Balance unspent at beginning of year	-	95,261
Current year receipts	-	-
Conditions met - transferred to revenue	-	(95,261)
Conditions still to be met transferred to liabilities (see note 8)	<u>-</u>	<u>-</u>

Funds allocated for and spent on the improvement of facilities at the Malmesbury Taxi terminal.

24.47 Travelling Cost

Balance unspent at beginning of year	-	-
Current year receipts	-	5,000
Conditions met - transferred to revenue	-	(5,000)
Conditions still to be met transferred to liabilities (see note 8)	<u>-</u>	<u>-</u>

Funds received from die WCDM to assist with the financing of the compensation paid to community leaders for engaging in the public participation process lodged in connection with the Municipality's Integrated Development Program.

24.48 Ilinge Lethu Centre

Balance unspent at beginning of year	-	-
Current year receipts	-	31,900
Conditions met - transferred to revenue	-	(251,947)
Conditions met - included in debtors (see note 16)	-	220,047
Conditions still to be met transferred to liabilities (see note 8)	<u>-</u>	<u>-</u>

Funds provided to the Municipality to finance the cost of the transformation of the existing inadequate facility serving the township into a suitable community centre.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
24.49 Provincial Health Subsidies		
Balance unspent at beginning of year	(942,028)	(866,634)
Current year receipts	4,442,832	4,565,746
Conditions met - transferred to revenue	(4,879,346)	(4,641,140)
Conditions met transferred to debtors (see note 19)	<u>(1,378,542)</u>	<u>(942,028)</u>

Operational costs incurred by the Municipality in connection with the operating of the Infections Diseases Hospital at Malmesbury, as well as the various clinics, situated in the municipal area, which costs are fully recoverable from the PAWC.

24.50 Proclaimed Roads Subsidies		
Balance unspent at beginning of year	-	(28,307)
Current year receipts	578,000	573,698
Conditions met - transferred to revenue	(578,000)	(545,391)
Conditions met transferred to debtors (see note 19)	<u>-</u>	<u>-</u>

Expenditure incurred by the Municipality in connection with the maintenance of proclaimed main roads falling under the jurisdiction of the Municipality, in accordance with a budget approved by the PAWC, which costs is partly recoverable from the Administration.

24.51 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 1 of 2005), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years with the exception of Provincial Health Subsidies which is currently being phased out as the Provincial Government will render this service in future.

25. OTHER INCOME

Included in other income is the following:-

Administration Costs	34,597	45,108
Admission Fees Swimming Pools	104,799	74,232
Advertising Signs	3,563	3,040
Amps increase/decrease	1,368	900
Application: Service Connections	137,012	236,867
Blockages: Sewerage	7,158	15,114
Building/Town Plans	1,477	3,260
Capital Contribution: Actual	26,761	28,242
Capital Contribution: Fixed	720,732	129,152
Cemetery Fees	312,935	287,150
Clearance Certificates	78,121	54,072
Commission: Escom	-	100
Consent use	12,484	3,698
Contribution: Parking Areas	72,570	10,800
Copy of Plans	3,690	2,330
Day Visitors: Yzerfontein Caravan Park	14,688	22,855
Designation of Graves	1,650	4,480
Deviation of Building Regulations	54,567	46,530
Discount Fuel	30,142	27,059
Disinfecting and Fumigation	792	4,924
Duplicate Accounts	1,385	394
Efficiency Development	204,105	211,882
Electricity Telephone Booths: Telkom	110	18
Encroachments fees	1,458	973
Endowment Fees	-	36,075
Entrance Fees Harbour	170,910	346,825
Entrance Fish Market	57,890	22,030
Escorts Heavy Vehicles	10,000	16,500
Excess Payments: Insurance	26,807	-
Filling of Swimming Pools	-	900
Fire Services	12	12
Housing Scheme/Private Organisations Loan Instalments	641,963	756,718

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
25. OTHER INCOME (continued)		
Impounding Fees	2,340	7,980
Industrial Sewerage	233,819	188,156
Interest: Private Loans	-	313,209
Insurance Recovered: Darling Club	-	-
Lost/Damaged Books	17,345	23,919
Maintenance Housing Scheme Houses	38,951	38,951
Mementoes	26	36
New Connections	1,449,076	1,124,152
Photostats	72,216	75,504
Postage Recovered	15,822	-
Plan fees: Buildings	990,124	992,286
Plan Fees: Unauthorized Buildings	32,360	66,204
Private Work	46,874	31,629
Refreshments: Offices	400	-
Refuse Bins	24,750	12,817
Refuse Coupons	181,107	133,992
Removal of Restrictions	1,300	2,565
Rent- Hawkers	-	9,240
Rezoning	31,420	19,250
Sale of Plants	4,978	5,000
Selling: Bulk Water	2,854	-
Selling: Purified Sewerage Water	104,926	84,622
SMS Transactions Fees	8	-
Storage fees	190	898
Street Entrances and Pavements	60,681	62,096
Sub Divisions	34,195	52,236
Sundries	72,730	52,507
Supplying of Information	881	614
Surplus Cash	4,017	1,987
Tampering Fees	66,000	33,000
Telephone Costs Recovered	138,832	-
Testing of Electricity Meters	-	285
Testing of Water Meter	895	1,123
Valuation Certificates	62,300	42,257
Water Sell on Request	-	4,581
Yzerfontein Caravan Park: Washing Machines and Tumble Dryers Fees	6,389	5,411
Yzerfontein Caravan Park: Camping Fees	-	895,315
Yzerfontein Caravan Park: Chalets	-	188,292
Yzerfontein Caravan Park: Rent Lapa	-	684
Yzerfontein Caravan Park: Tents	-	247
Zoning Certificates	4,004	2,250
Total Other Income	6,435,556	6,865,535
26. EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	37,461,523	32,384,526
Employee related costs - Contributions for UIF, pensions and medical aids	9,223,195	8,518,620
Travel, motor car, accommodation, subsistence and other allowances	4,108,011	4,468,121
Housing benefits and allowances	401,012	353,505
Overtime payments	2,509,520	1,990,013
Performance bonus	-	-
Bonuses: 13th Cheque	2,991,288	2,558,949
Long-service awards	-	99,410
Contribution to Leave Gratuity	886,148	1,207,554
Contribution to provision for post- retirement medical aid benefits	2,000,143	17,238,790
Contribution to long-service provision	845,888	2,385,606
Less: Employee costs capitalised to Property, Plant and Equipment	-	-
Less: Employee costs included in other expenses	-	-
Less: Employee related costs (Discontinued Operations)	(4,519,704)	(3,928,964)
Total Employee Related Costs	55,907,024	67,276,130

No advances were made to employees. Loans to employees are set out in note 16.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
<i>Remuneration of the Municipal Manager</i>		
Annual Remuneration	528,970	235,567
Car Allowance	98,398	105,942
13 th Cheque	55,635	33,251
Long-service award	21,902	-
Acting Allowance	7,445	73,693
Other	8,034	2,916
Contributions to UIF, Medical and Pension Funds	125,638	67,541
Total	846,022	518,910

Remuneration of the Chief Finance Officer

Annual Remuneration	346,400	245,044
Car Allowance	109,157	130,262
13 th Cheque	43,409	35,808
Long-service award	7,871	-
Leave Pay	-	29,369
Other	5,273	3,032
Contributions to UIF, Medical and Pension Funds	93,778	76,242
Total	605,888	519,757

*Remuneration of Individual Executive Directors***30 June 2007**

	Corporate Services	Civil Engineering Services	Electrical Engineering Services	Community Services	Protection Services
Annual Remuneration	309,392	321,450	308,700	308,879	317,050
Car Allowance	80,825	86,571	116,138	81,027	107,920
Long-service award	-	37,288	-	-	-
13 th Cheque	28,280	40,308	40,308	36,949	40,308
Leave Pay	-	64,996	16,348	32,451	16,283
Acting Allowance	87,484	-	-	15,601	-
Other	15,409	4,896	4,704	5,126	4,830
Contributions to UIF, Medical and Pension Funds	92,277	78,838	91,063	82,359	83,181
Total	613,667	634,347	577,261	562,392	569,572

30 June 2006

	Corporate Services	Civil Engineering Services	Electrical Engineering Services	Community Services	Protection Services
Annual Remuneration	235,566	236,662	239,591	129,490	222,730
Performance Bonuses	-	-	-	-	-
13 th Cheque	33,251	33,251	33,251	10,791	33,251
Leave Pay	-	-	13,499	-	-
Other	-	-	-	106,078	-
Contributions to UIF, Medical and Pension Funds	2,916	2,929	2,965	6,759	2,759
	71,182	63,234	75,916	42,121	66,838
Total	342,915	336,076	365,222	295,239	325,578

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
27. REMUNERATION OF COUNCILLORS		
Executive Mayor	272,917	179,436
Deputy Executive Mayor	216,216	143,546
Speaker	220,337	143,546
Mayoral Committee Members	606,123	311,468
Councillors	1,040,323	567,336
Councillor's - pension contribution	353,002	201,800
Councillor's - medical aid contribution	241,103	62,590
Councillor's - travelling allowances	982,671	336,295
Councillor's - telephone allowances	200,412	80,304
Councillor's - facility allowances	-	46,722
Councillor's - housing subsidy	-	203,256
Total Councillors - Remuneration	4,133,104	2,276,299
In-kind Benefits		
The Councillors occupying the positions of Executive Mayor, Deputy Executive Mayor, Speaker and Executive Mayoral Committee Members of the Municipality serve in a full-time capacity. They are provided with office accommodation and secretarial support at the expense of the Municipality in order to enable them to perform their official duties.		
28. INTEREST PAID		
Long-term liabilities	3,686,297	3,915,034
Finance leases	36,042	-
Bank overdrafts	-	-
Total Interest on External Borrowings	3,722,339	3,915,034
29. BULK PURCHASES		
Electricity	30,779,061	27,559,652
Water	10,551,273	9,117,386
Total Bulk Purchases	41,330,334	36,677,038
30. GRANTS AND SUBSIDIES PAID		
* Darling Focus	35,000	5,795
* Huis van Heerde	20,000	-
SPCA	168,540	159,000
* Elkana Childcare	20,000	20,000
Government Pensioners	349,549	324,595
	246,227	218,663
* Multipurpose Centre: Chatsworth	-	-
* Multi Purpose Centre: Illinge Lethu	51,123	-
* Multi Purpose Centre: Kalbaskraal	-	-
* Multi Purpose Centre: Moorreesburg	40,000	40,000
Museum - Malmesbury	29,932	28,435
Museum - Darling	34,122	31,020
Museum - Oude Kerk	31,328	33,605
Museum - Wheat Industry	34,122	31,020
* Night Shelter	20,000	-
Tourism Swartland and Coastal Area	548,359	20,300

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
30. GRANTS AND SUBSIDIES PAID (continued)		
Yzerfontein Conservancy	50,000	-
* The Night Shelter	-	20,000
Tourism Malmesbury	-	201,890
Tourism Moorreesburg	-	100,946
Tourism Koringberg	-	9,514
Tourism Riebeek Valley	-	17,636
Tourism Yzerfontein	-	36,975
Total Grants and Subsidies	<u>1,678,302</u>	<u>1,299,394</u>

Due to the need in the Swartland Municipal area for expert services and resources to support effective domestic animal management initiatives and controls, for which the Municipality do not have the resources, it is deemed necessary, from a perspective of serving the community, for the Municipality to contribute financially towards the operational costs of the SPCA.

* The aim of **these organisations** entails the social upliftment of the poor and disadvantaged section of the community. Financial aid by the Municipality to these organisations, as well as assistance in counselling and advisory services, is intended to enable them to fulfil the said aim.

Pensioners were granted a rebate of 40 % on their property rates under certain conditions while certain government institutions received a rebate of 20 % levied on their properties.

Museums generally do not generate sufficient income from own resources and are, therefore, dependant on financial aid from the public and organisations to meet their financial needs and obligations. The Municipality, consequently, regards it appropriate to contribute financially to this end.

Aware of the importance of the promotion of tourism in the area falling under the Municipality, the Council deems it their duty and privilege to assist financially towards the needs of the various **tourism burros** serving the area.

The **Yzerfontein Urban Conservancy** came into being to preserve and promote, on a voluntary basis, the conservation of the environment and heritage in, specifically, the sensitive coastal region within the boundaries of the Yzerfontein Local Nature Reserve. Financial assistance by the Municipality is intended to enable the Organisation to fund its programmes.

31. GENERAL EXPENSES

Included in general expenses is the following:-

Administration Costs: Vehicles	76,935	-
Advertisements	386,662	790,999
Allowances: Ward Committee	46,625	34,371
Audit Committee Expenditure	31,561	-
Audit Costs	731,119	668,277
Bank costs	295,076	340,181
Chemicals	481,786	519,248
Commission	781,678	707,844
Connection Fees	1,135,162	963,231
Consumables	268,602	-
Contribution to Provisions	-	-
Delegations/Congresses	46,158	64,839
Disaster Management	105,868	41,879
Efficiency Development	453,462	403,314
Entertainment	38,621	-
Evaluation of Posts	65,309	95,633
Fuel and Oil	2,526,575	1,984,908
Hire Purchase Financing	873,061	951,205
Infrastructure: Asset Stocktake	439,389	-

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
31. GENERAL EXPENSES (continued)		
Infrastructure: Civil Survey	263,996	-
Insurance	775,781	873,968
Inventory: Tools and Equipment	748,446	297,255
Job Creation	579,194	1,246,526
LED Projects: Red Door	457,094	-
Legal Fees	326,849	405,980
Licenses: Computer Systems	868,981	728,518
Masterplanning: Services	502,981	-
Mayor Expenses	76,208	-
Membership Fees: Council	160,326	227,729
Postage	527,701	491,899
Printing and Stationery	564,169	456,062
Projects	437,283	797,722
Protective Clothing	437,618	516,178
Refreshments: Offices	55,949	53,436
Rental of Facilities and Hiring of Equipment	639,463	687,913
Security Services	554,906	584,107
Subscriptions	108,149	67,579
Squatter Control	-	529,894
Telecommunications	1,224,589	1,053,742
Test Station Inspection Fees	39,452	-
Testing Sewerage	115,408	-
Tierfontein: Manual Subdivision	200,000	-
Training	326,688	-
Travelling Costs	321,283	260,028
WCDM Levy	-	246,579
Youth Camp (Africa Union)	301,769	321,174
Departmental Rates and Service Charges	4,237,656	4,045,920
Government Grant Expenditure	15,516,327	7,638,324
Other	1,646,659	1,502,871
Total General Expenses	40,798,574	30,599,333
32. DISCONTINUING OPERATIONS		
The operations of the health services, namely Clinics, Community Services and Prime Health Care, was discontinued during the year and transferred to the Provincial Administration Western Cape. The analysis of the profit as disclosed on the Statement of Financial Performance is as follows:		
INCOME		
Government subsidies	4,542,285	4,641,140
Total Income	4,542,285	4,641,140
Less: Expenditure	4,879,346	4,641,140
General expenses	137,729	656,500
Employee related cost	4,519,704	3,928,964
Depreciation	33,362	38,560
Repairs and maintenance	188,551	17,116
Net surplus/(deficit) from discontinuing operations	(337,061)	-

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

2007	2006
R	R

33. CORRECTION OF ERROR*33.1 Provisions*

During the year ended 30 June 2006, the balance for provisions were erroneously reported as the amount for Post-Employment Health Care Benefits was included in the the said balance.

The comparative amount has been restated as follows: -

Provisions

Balance previously reported: -	18,234,454
Transfer to Post- Employment Health Care Benefits	(16,451,125)
	<u>1,783,329</u>

Provision For Post Retirement Medical Aid Benefits

Balance previously reported: -	-
Transfer from Provisions	16,451,125
	<u>16,451,125</u>

33.2 Property, Plant and Equipment

The Auditor - General's examination of the Financial Statements for the year ended 30 June 2006 revealed that previously only the cost of land on which buildings were erected had inadvertently been classified as Investment Properties in the books of account. (Audit Query 5 of 2005/2006 paragraph 1.2 dated 28 November 2006).

Assets with purchase costs below the R 10 000 capitalization threshold, and payments for items not classified as assets, which were previously incorrectly capitalised, were corrected in the current year, and removed from the asset register. (Audit Query 5 of 2005/2006 paragraph 1.6 and 1.17 dated 28 November 2006).

Residual values were not considered during previous financial years in determining depreciable amounts of assets, and therefore the estimate of residual values in the current financial year and the resulting effect on depreciable amounts, is the correction of a prior period error.

Cost

Balance previously reported -	<u>1,021,133,520</u>
Transferred to Accumulated Surplus	
- Infrastructure	(5,554)
- Other	(1,745,243)
Transferred to Intangible Assets	(51,154)
Carrying Value as at 30 June 2006	<u>1,019,331,569</u>

Accumulated Depreciation

Balance previously reported -	<u>(821,457,394)</u>
Transferred to Accumulated Surplus	
- Land and Buildings	6,967
Transferred to Investment Properties	5,937,595
- Infrastructure	9,843
- Other	472,845
Adjustment of carrying values due to depreciation adjustment - residual values	1,740,841
Transferred to Intangible Assets	10,231
Carrying Value as at 30 June 2006	<u>(813,279,072)</u>

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
33. CORRECTION OF ERROR (Continued)		
<i>Investment Property</i>		
Balance previously reported -	<u>32,615,600</u>	
The comparative amount has been restated as follows: -		
Transferred from Property, Plant and Equipment	5,937,595	
Carrying Value as at 30 June 2006	<u>26,678,005</u>	
<i>Intangible Assets</i>		
Balance previously reported -	<u>-</u>	
The comparative amount has been restated as follows: -		
Transferred from Property, Plant and Equipment	51,154	
Transferred From Accumulated Depreciation	10,231	
Carrying Value as at 30 June 2006	<u>40,923</u>	
33.3 Net Assets		
Funding sources were adjusted to reflect the correction of assets with purchase costs below the R 10 000 capitalization threshold, residual values and payments for items not classified as assets, which were previously incorrectly capitalised.		
<i>Capitalisation Reserve</i>		
Balance previously reported -	<u>(107,560,320)</u>	
The comparative amount has been restated as follows: -		
Adjustment of carrying values due to depreciation adjustment - residual values	(915,473)	
Nett Value as at 30 June 2006	<u>(108,475,793)</u>	
<i>Government Grant Reserve</i>		
Balance previously reported -	<u>(51,569,405)</u>	
The comparative amount has been restated as follows: -		
Adjustment of carrying values due to depreciation adjustment - residual values	(235,244)	
Items incorrectly capitalized removed from Property Plant and Equipment	87,021	
Nett Value as at 30 June 2006	<u>(51,717,628)</u>	
<i>Accumulated Surplus/(Deficit)</i>		
Items incorrectly capitalized removed from Property Plant and Equipment	(583,997)	
Nett transfers as at 30 June 2006	<u>(583,997)</u>	
34. CASH GENERATED BY OPERATIONS		
Surplus for the year	27,587,075	22,333,000
Adjustment for:-		
Previous years	4,408,464	(205,967)
Depreciation	11,431,043	10,221,599
Increase/(Decrease) in provisions	763,631	21,421,774
Investment income	(8,258,456)	(6,283,575)
Interest paid	3,722,339	3,915,034
Operating surplus before working capital changes:	<u>39,654,096</u>	<u>51,401,865</u>
(Increase)/decrease in inventories	(3,287,712)	1,883,764
(Increase)/decrease in consumer debtors	(4,046,576)	(1,152,488)
(Increase)/decrease in other debtors	(159,956)	(3,774,567)
(Decrease)/increase in conditional grants and receipts	3,428,544	3,335,957
Increase/(Decrease) in Operating lease liability	5,016	-
Increase/(Decrease) in creditors	7,917,062	970,716
Increase/(Decrease) in VAT	(742,477)	69,877
Cash generated by/(utilised in) operations	<u>42,767,997</u>	<u>52,735,124</u>

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
35. CASH AND CASH EQUIVALENTS		
Bank balances and cash	4,519,633	16,298,073
Petty Cash Advances	8,230	7,530
Total cash and cash equivalents	<u>4,527,863</u>	<u>16,305,603</u>

36. OPERATING LEASE COMMITMENTS**The Municipality as Lessee:**

At the Statement of Financial Position date the municipality had outstanding commitments under non-cancellable operating leases, which fall due as follows:

Up to 1 year	562,960	-
1 to 5 years	421,040	-
More than 5 years	-	-
Total Operating Lease Arrangements	<u>984,000</u>	<u>-</u>

No restrictions have been imposed on the Municipality in terms of the lease agreements.

Comparative amounts for the previous year not available.

37. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 2)	28,421,787	30,228,463
Used to finance property, plant and equipment - at cost	28,421,787	30,228,463
Sub- total	<u>-</u>	<u>-</u>
Cash set aside for the repayment of long-term liabilities	6,113,162	1,765,542
Cash invested for repayment of long-term liabilities	<u>6,113,162</u>	<u>1,765,542</u>

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

38. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**38.1 Unauthorised expenditure**

To the best of knowledge no unauthorised expenditure was incurred during the year under review.

38.2 Fruitless and wasteful expenditure

To the best of knowledge instances of note indicating that fruitless and wasteful expenditure was incurred during the year under review were not revealed.

38.3 Irregular expenditure

To the best of knowledge instances of note indicating that fruitless and wasteful expenditure was incurred during the year under review were not revealed.

39. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**39.1 Contributions to organized local government**

Opening balance	-	-
Council subscriptions	180,737	223,956
Amount paid - current year	(180,737)	(223,956)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
39. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)		
<u>39.2 Contributions to organized local government</u>		
Opening balance	-	-
Council subscriptions	180,737	223,956
Amount paid - current year	(180,737)	(223,956)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
<u>39.3 Audit fees</u>		
Opening balance	-	-
Current year audit fee	789,911	726,966
Amount paid - current year	(788,628)	(726,966)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	1,283	-
<u>39.4 VAT</u>		
VAT inputs receivables and VAT outputs receivables are shown in note 44. All VAT returns have been submitted by the due date throughout the year.		
<u>39.5 PAYE and UIF</u>		
Opening balance	-	-
Current year payroll deductions	6,182,216	4,756,132
Amount paid - current year	(6,182,216)	(4,756,132)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
<u>39.6 Pension and Medical Aid Deductions</u>		
Opening balance	-	-
Current year payroll deductions and Council Contributions	9,510,266	8,340,024
Amount paid - current year	(9,510,266)	(8,340,024)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
<u>39.7 Councillor's arrear consumer accounts</u>		

During the financial year under review no Councillor (present or past) was in arrear with the settlement of their municipal accounts.

SWARTLAND MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

39. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)

39.8 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The incidents as listed hereunder have been condoned.

Incident	Reasons submitted for non-compliance
Employment of facilitator for the drafting of a master plan for future development and coupled infrastructure	Seen as a matter of urgency to expedite the drafting of council's policy guidelines enabling the kick starting of development processes and to manage development to the best advantage of the various towns.
Appointment of professional person: Upgrading of clubhouse Alfastreet Sport grounds	Exceptional case where it would not be in Council's best interest and also impractical to follow the normal procurement procedures due to the fact that the existing building, in its present state, is considered a safety risk.
Appointment of professional person: Drafting of business plan for DEAT	Not feasible to follow normal procurement procedures due to time constraints as well as possibility that allotted funds being forfeited.
Appointment of professional person: Redrafting of town borders	Not feasible to change the service provider who drafted and compiled the previous Spatial Development Framework of the Municipality.
Appointment of consultant: Planning and Implementing of communal facilities for the keeping of animals.	Not feasible to change the consultant who was involvement in previous projects, as well as their expertise, and the fact that applications for funding had to be submitted by 30 April 2007.

	2007 R	2006 R
40. CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved and contracted for	6,867,600	-
<i>Infrastructure</i>	5,017,600	-
<i>Community</i>	-	-
<i>Heritage</i>	-	-
<i>Other</i>	1,850,000	-
<i>Housing Development Fund</i>	-	-
<i>Investment Properties</i>	-	-
- Approved but not yet contracted for	56,068,389	82,167,368
<i>Infrastructure</i>	45,412,889	31,692,709
<i>Community</i>	4,010,500	1,691,000
<i>Heritage</i>	-	-
<i>Other</i>	6,645,000	39,283,659
<i>Housing Development Fund</i>	-	9,500,000
<i>Investment Properties</i>	-	-
Total	62,935,989	82,167,368
This expenditure will be financed from:		
- External Loans	-	-
- Capital Replacement Reserve	53,708,100	60,926,568
- Government Grants	9,227,889	19,932,000
- Own resources	-	100,000
- District Municipality Grants	-	1,208,800
	62,935,989	82,167,368

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007**41. RISK EXPOSURES**

The municipality is at risk in the following areas:

(i) Credit Risk, which is defined as the risk that one party to a financial instrument will fail to honour its obligation, thus causing the other party to incur a financial loss.

(ii) Interest Rate Risk, which is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for doubtful debt.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2007	2006
	R	R
The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:		
Fixed Deposit Investments	94,009,750	88,000,000
Long-term Receivables	2,940,266	3,907,688
Consumer Debtors	19,901,987	2,482,816
Other Debtors	7,714,935	7,856,480
Short-term Investment Deposits	454,148	353,272
Bank and Cash Balances	4,527,863	16,305,603
Maximum Credit and Interest Risk Exposure	<u>129,548,949</u>	<u>118,905,859</u>

SWARTLAND MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2007**

42. OTHER RETIREMENT BENEFIT INFORMATION

The personnel of the Swartland Municipality are members of the funds as set out below. These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below. The Cape Joint Pension Fund and Cape Joint Retirement Fund are defined benefit plans, whereas the Municipal Councillors Fund and the Provident Fund are defined contribution plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:

- The assets of each fund are held in one portfolio; these assets are not notionally allocated to each of the participating employers.
- One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- The same rate of contributions applies to all participating employers, and in regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

CAPE JOINT PENSION FUND

The Cape Joint Pension Fund is a multi-employer plan and the contribution rate payable is 9 %, by the members and 18 % by Council. The last valuation performed for the year ended 30 June 2006 (30 June 2005) revealed that the fund had an actuarial surplus of R 293,01 (R 87,2) million with a funding level of 111,4 % (103,4 %), and is in a sound financial state as at 30 June 2006.

CAPE JOINT RETIREMENT FUND

The contribution rate paid by the members (9,0 %) and Council (18,0 %) is sufficient to fund the benefits accruing from the fund in future. The last valuation performed for the year ended 30 June 2006 (30 June 2003) revealed that the fund had an actuarial surplus of R 38,58 (R 0) million with a funding level of 114 % (100 %). Certified in a sound financial position as at 30 June 2006.

MUNICIPAL COUNCILLORS PENSION

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75 %) and council (15 %) is sufficient to fund the benefits accruing from the fund in the future. The actuarial valuation of the fund was undertaken at 30 June 2002 and reported a funding ratio of 124,5 %.

SOUTH AFRICAN MUNICIPAL WORKERS UNION NATIONAL PROVIDENT FUND

The contribution rate payable is 5 % by the members and not less than 12 % by Council. The last valuation performed for the year ended 30 June 2005, certified that the fund is in a sound financial state.

NATIONAL FUND FOR MUNICIPAL WORKERS

The above mentioned fund is a defined contribution Fund and according to Regulation 2 of the Pension Funds Act no 24 of 1956 exempt from the provisions of sections 9A and 16 of the Act. The contribution rate paid by the members (9.00 %) and council (18.00 %).

The latest voluntary valuation was done on 30 June 2006. As at 30 June 2006 the results state that the way the benefits are structured in the rules, the fund is limited to an amount equal to the accumulation of all the contributions plus investment returns less administration costs. The NFMW Retirement Fund does not have any reserve accounts or surpluses which could be allocated to members Fund records.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007**43. RELATED PARTY TRANSACTIONS**

	Rates	Service Charges	Other	Outstanding Balances
43.1 Rates and Services Accounts				
30 June 2007				
Councillors	41,622	104,928	912	7,229
Municipal Manager and Section 57 Personnel	25,542	65,303	-	6,061
Municipal Entities	-	-	-	-
Total	67,164	170,231	912	13,290
30 June 2006				
Councillors	38,713	98,372	-	11,692
Municipal Manager and Section 57 Personnel	23,716	63,899	-	5,624
Municipal Entities	-	-	-	-
Total	62,429	162,271	-	17,316

The rates, service and other charges are in accordance with approved tariffs that was advertised to the public. No bad debt expenses had been recognised in respect of amounts owed by related parties.

43.2 Related Party Loans

Loans to Councillors and senior management employees are no longer permitted since 1 July 2004. Loans that were granted prior to this date, together with the conditions, are disclosed in note 16 to the Annual Financial Statements.

43.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 26.

43.4 Other related party transactions

The municipality incurred business to the value of R 3 693.64 with M.C. Bakwerke BK. This company is considered to be a related party as Mr. C. McKrieling, a Councillor of the municipality, is the owner of the company. The transaction was concluded in full compliance with the Supply Chain Management policy of the Council and the transaction are considered to be at arms length.

	2007 R	2006 R
44. CONTINGENT LIABILITY		
Escom	49,600	49,600

Bank guarantees provided to Escom for the supply of electricity to the Municipality for distribution amongst consumers. The guarantees is covered to a large extend by cash deposits recovered from the individual consumers of electricity within the municipal area.

45. CONTINGENT ASSET

The Municipality was not engage in any transaction or event during the year under review involving a contingent asset.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007**46. IN-KIND DONATION AND ASSISTANCE**

The Municipality did not receive any in-kind donation and assistance during the year under review.

47. PRIVATE PUBLIC PARTNERSHIPS

The Municipality has as yet not entered into a public-private partnership agreement with any private party.

48. EVENTS AFTER THE REPORTING DATE

No events having financial implications requiring disclosure occurred subsequent to 30 June 2007.

APPENDIX A**SWARTLAND MUNICIPALITY**
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2007

	Loan Number	Redeemable	Balance at 30/06/2006	Received during the period	Redeemed written off during the period	Balance 30/06/2007	Carrying Value of Property, Plant and Equipment	Other Costs in accordance with the MFMA
EXTERNAL LOANS								
LONG- TERM LOANS								
Development Bank		31/03/2018	3,850,863	-	156,284	3,694,579	1,023,249	-
Development Bank		31/12/2018	5,988,966	-	176,866	5,812,100	4,495,584	-
Development Bank		30/06/2020	734,986	-	52,499	682,487	-	-
INCA		31/12/2013	19,653,648	-	1,765,542	17,888,106	18,535,966	-
Total Long- Term Loans			30,228,463	-	2,151,191	28,077,272	24,054,799	-
LEASES								
Sunlyne Rentals			-	349,915	29,593	320,322	309,460	-
CTC Finance			-	25,000	807	24,193	23,342	-
Total leases			-	374,915	30,400	344,515	332,802	-
TOTAL EXTERNAL LOANS			30,228,463	374,915	2,181,591	28,421,787	24,387,601	-

APPENDIX B**SWARTLAND MUNICIPALITY****ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007**

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Land and Buildings										
Land	52,191,906	815,913	-	102,010	52,905,809	297,375	74,961	-	372,336	52,533,473
Buildings	48,976,737	1,642,196	-	-	50,618,933	34,234,524	812,007	-	35,046,531	15,572,402
	101,168,643	2,458,109	-	102,010	103,524,742	34,531,899	886,968	-	35,418,867	68,105,875
Infrastructure										
Drains	-	-	-	-	-	-	-	-	-	-
Roads	434,695,742	17,417,085	567,098	-	452,679,925	394,754,811	2,928,504	-	397,683,315	54,996,610
Beach Improvements	-	-	-	-	-	-	-	-	-	-
Sewerage Mains and Purification	174,892,376	11,990,389	168,023	-	187,050,788	140,316,273	2,289,860	-	142,606,133	44,444,655
Electricity Mains	134,621,320	6,731,471	182,103	-	141,534,894	116,904,415	1,109,705	-	118,014,120	23,520,774
Electricity Peak Load Equipment	436,608	-	-	-	436,608	204,216	21,830	-	226,046	210,562
Water Mains and Purification	1,729,231	-	-	-	1,729,231	668,745	80,154	-	748,899	980,332
Reservoirs - Water	24,748,268	940,000	1,295,848	-	26,984,116	21,369,333	257,219	-	21,626,552	5,357,564
Water Meters	400,545	-	-	-	400,545	133,794	26,703	-	160,497	240,048
Water Mains	91,919,386	2,968,835	166,596	-	95,054,817	76,466,530	1,052,880	-	77,519,410	17,535,407
	863,443,476	40,047,780	2,379,668	-	905,870,924	750,818,117	7,766,855	-	758,584,972	147,285,952
Community Assets										
Parks and Gardens	603,427	-	-	-	603,427	96,548	28,661	-	125,209	478,218
Libraries	3,956,733	-	-	-	3,956,733	1,867,678	75,525	-	1,943,203	2,013,530
Recreation Grounds	8,625,898	3,142,593	55,000	-	11,823,491	6,107,120	287,238	-	6,394,358	5,429,133
Civic Buildings	12,608,683	-	-	-	12,608,683	5,951,854	340,270	-	6,292,124	6,316,559
	25,794,741	3,142,593	55,000	-	28,992,334	14,023,200	731,694	-	14,754,894	14,237,440
Heritage Assets										
Historical Buildings	586,266	-	-	-	586,266	433,055	10,109	-	443,164	143,102
Painting and Art Galleries	-	-	-	-	-	-	-	-	-	-
	586,266	-	-	-	586,266	433,055	10,109	-	443,164	143,102
Housing Rental Stock										
Housing Rental 1	790,175	-	-	-	790,175	61,321	26,339	-	87,660	702,515
Housing Rental 2	823,002	-	-	-	823,002	658,401	41,150	-	699,551	123,451
	1,613,177	-	-	-	1,613,177	719,722	67,489	-	787,211	825,966
Total carried forward	992,606,303	45,648,482	2,434,668	102,010	1,040,587,443	800,525,993	9,463,115	-	809,989,108	230,598,335

APPENDIX B**SWARTLAND MUNICIPALITY****ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007 (continued)**

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Total brought forward	992,606,303	45,648,482	2,434,668	102,010	1,040,587,443	800,525,993	9,463,115	-	809,989,108	230,598,335
Leased Assets (Infrastructure)										
Sewerage Mains and Purify	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Other Assets										
Landfill Sites	941,555	-	-	-	941,555	229,580	33,802	-	263,382	678,173
Office Equipment	648,674	799,789	-	-	1,448,463	462,013	121,547	-	583,560	864,903
Furniture and Fittings	2,855,083	75,458	-	-	2,930,541	1,767,730	272,814	-	2,040,544	889,997
Bins and Containers	1,437,987	40,470	-	-	1,478,457	412,404	145,548	-	557,952	920,505
Emergency Equipment	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	13,406,185	1,456,811	-	215,007	14,647,989	5,535,922	1,019,233	143,155	6,412,000	8,235,989
Fire Engines	265,624	66,254	-	-	331,878	27,891	5,596	-	33,487	298,391
Refuse Tankers	4,165,231	242,880	-	-	4,408,111	1,403,837	305,894	-	1,709,731	2,698,380
Computer Equipment	3,004,927	164,594	-	-	3,169,521	2,913,702	63,494	-	2,977,196	192,325
Councillor's Regalia	-	-	-	-	-	-	-	-	-	-
Conservancy Tankers	-	-	-	-	-	-	-	-	-	-
Watercraft	-	-	-	-	-	-	-	-	-	-
	26,725,266	2,846,256	-	215,007	29,356,515	12,753,079	1,967,928	143,155	14,577,852	14,778,663
Total: Property, Plant and Equipment	1,019,331,569	48,494,738	2,434,668	317,017	1,069,943,958	813,279,072	11,431,043	143,155	824,566,960	245,376,998

ANALYSIS OF INVESTMENT PROPERTY AS AT 30 JUNE 2007

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Land and Buildings										
Land	26,097,900	1,946,750	-	3,463,246	24,581,404	-	-	-	-	24,581,404
Buildings	6,517,700	-	-	-	6,517,700	5,937,595	50,850	-	5,988,445	529,255
Total: Investment Property	32,615,600	1,946,750	-	3,463,246	31,099,104	5,937,595	50,850	-	5,988,445	25,110,659

APPENDIX B**SWARTLAND MUNICIPALITY****ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007 (continued)****ANALYSIS OF INTANGIBLE ASSETS AS AT 30 JUNE 2007**

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Website Development	51,154	-	-	-	51,154	10,230	10,231	-	20,461	30,693
Valuation Roll	-	-	982,944	-	982,944	-	-	-	-	982,944
Total: Intangible Assets	51,154	-	982,944	-	1,034,098	10,230	10,231	-	20,461	1,013,637
Grand Total	1,051,998,323	50,441,488	3,417,612	3,780,263	1,102,077,160	819,226,897	11,492,124	143,155	830,575,866	271,501,294

APPENDIX C**SWARTLAND MUNICIPALITY**
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Cemeteries	38,071		-	-	38,071	34,439	363		34,802	3,269
Corporate Services	4,437,589	1,260,485	182,103.00	-	5,880,177	2,567,935	287,004		2,854,939	3,025,238
Electricity	136,946,635	7,043,672	-	-	143,990,307	117,937,281	1,303,046		119,240,327	24,749,980
Environmental Health	955,829	-	-	-	955,829	363,876	33,362		397,238	558,591
Financial	614,199	204,307	982,943.00	-	1,801,449	268,149	78,913		347,062	1,454,387
Fire Fighting	925,401	88,209	-	-	1,013,610	501,126	58,077		559,203	454,407
Housing	2,223,263	-	-	-	2,223,263	1,329,808	67,489		1,397,297	825,966
Libraries	2,421,195	-	-	-	2,421,195	220,196	103,511		323,707	2,097,488
Municipal Property	142,138,072	3,814,183	-	3,670,256	142,281,999	49,994,581	898,127	66,150	50,826,558	91,455,441
Parks and Recreational	2,560,366	404,068	-	-	2,964,434	1,068,889	153,447		1,222,336	1,742,098
Protection Services	4,320,058	710,497	-	83,363	4,947,192	1,783,489	229,151	58,354	1,954,286	2,992,906
Refuse Removal	7,985,068	283,350	-	26,644	8,241,774	2,774,681	506,728	18,651	3,262,758	4,979,016
Roads and Stormwater	439,798,815	17,927,300	567,098.00	-	458,293,213	397,123,413	3,308,709		400,432,122	57,861,091
Sewerage	177,457,656	12,058,057	168,024.00	-	189,683,737	141,087,715	2,497,372		143,585,087	46,098,650
Sportsgrounds	8,949,053	2,738,525	55,000.00	-	11,742,578	2,612,544	448,054		3,060,598	8,681,980
Water	120,227,053	3,908,835	1,462,444	-	125,598,332	99,558,775	1,518,771		101,077,546	24,520,786
TOTAL	1,051,998,323	50,441,488	3,417,612	3,780,263	1,102,077,160	819,226,897	11,492,124	143,155	830,575,866	271,501,294

APPENDIX D**SWARTLAND MUNICIPALITY****SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007**

2006 Actual Income R	2006 Actual Expenditure R	2006 Surplus/ (Deficit) R		2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus/ (Deficit) R
36,478	9,279,163	(9,242,685)	Executive and Council	114,239	12,524,832	(12,410,593)
86,974,326	52,060,971	34,913,355	Finance and Administration	86,847,376	42,036,272	44,811,104
1,398,892	1,746,344	(347,452)	Planning and Development	1,243,211	2,636,336	(1,393,125)
		-	Health	-		-
498,671	4,691,467	(4,192,796)	Community and Social Services	610,786	5,289,309	(4,678,523)
795,669	4,012,800	(3,217,131)	Housing	680,914	2,741,243	(2,060,329)
12	6,195,132	(6,195,120)	Public Safety	12	8,252,295	(8,252,283)
1,591,163	5,645,616	(4,054,453)	Sport and Recreation	1,366,780	6,144,110	(4,777,330)
-	-	-	Environmental Protection	-	-	-
11,543,288	9,268,567	2,274,721	Waste Water Management	12,838,579	10,376,812	2,461,767
8,475,122	8,926,149	(451,027)	Waste Management	9,619,119	9,361,296	257,823
7,685,074	14,320,915	(6,635,841)	Road Transport	7,383,859	16,562,222	(9,178,363)
16,163,071	16,330,731	(167,660)	Water	18,919,413	18,677,812	241,601
53,939,058	37,361,654	16,577,404	Electricity	60,939,695	41,247,272	19,692,423
-	568,778	(568,778)	Other	14,967	663,894	(648,927)
189,100,824	170,408,287	18,692,537	Sub Total	200,578,950	176,513,705	24,065,245
4,641,140	4,641,140	-	Health (Discontinued operations)	4,542,285	4,879,346	(337,061)
193,741,964	175,049,427	18,692,537		205,121,235	181,393,051	23,728,184
-	(3,640,463)	3,640,463	Less Inter- Departmental Charges	-	(3,858,891)	3,858,891
193,741,964	171,408,964	22,333,000	Total	205,121,235	177,534,160	27,587,075

APPENDIX E (1)**SWARTLAND MUNICIPALITY****ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2007**

REVENUE	2007 Actual R	2007 Budget R	2007 Variance R	2007 Variance %	Explanation of Significant Variances greater than 10 % versus Budget
Property rates	38,479,093	36,803,139	1,675,954	4.55	
Service charges	99,694,715	91,185,239	8,509,476	9.33	
Rental of facilities and equipment	1,451,260	1,415,213	36,047	2.55	
Interest earned - external investments	8,258,456	3,192,645	5,065,811	158.67	Increased income due to favourable cash balances throughout the year and higher interest rates received than that estimated.
Interest earned - outstanding debtors	1,267,791	858,170	409,621	47.73	Income derived from interest on late payments higher than income anticipated.
Dividends received	-	-	-	-	
Fines	2,172,287	2,073,875	98,412	4.75	
Licences and permits	2,267,527	1,938,445	329,082	16.98	Higher demand for licences and permits.
Income for agency services	2,117,394	1,960,000	157,394	8.03	
Government grants and subsidies	24,239,301	43,469,555	(19,230,254)	(44.24)	Will vary from year-to-year depending on grants allocated.
Other income	6,435,556	9,705,412	(3,269,856)	(33.69)	Contribution derived from accumulated surplus did not materialise.
Public contributions, donated and contributed property, plant and equipment	-	-	-	-	
Gains on disposal of property, plant and equipment	14,195,570	38,001,000	(23,805,430)	(62.64)	Income derived from landsales lower than income anticipated.
Total Revenue	200,578,950	230,602,693	(30,023,743)	(13.02)	
EXPENDITURE					
Employee related costs	55,907,024	63,650,139	(7,743,115)	(12.17)	Posts budgeted for not filled.
Remuneration of Councillors	4,133,104	3,363,102	770,002	22.90	Increase in councillor's allowances
Bad debts	1,889,643	3,937,734	(2,048,091)	(52.01)	Provision for bad debt less than the amount budgeted for due to improved debt collection and a new method of calculation.
Collection costs	-	-	-	-	
Depreciation	11,458,761	11,725,851	(267,090)	(2.28)	
Repairs and maintenance	9,899,261	9,667,374	231,887	2.40	
Interest paid on external borrowings	3,722,339	3,835,009	(112,670)	(2.94)	
Bulk purchases	41,330,334	39,160,326	2,170,008	5.54	
Contracted services	1,837,472	1,948,750	(111,278)	(5.71)	
Grants and subsidies paid	1,678,302	1,155,028	523,274	45.30	Higher demand for subsidies from non- profitable organisations.
General expenses- other	40,798,574	40,523,538	275,036	0.68	
Loss on disposal of property, plant and equipment	-	-	-	-	
Total Expenditure	172,654,814	178,966,851	(6,312,037)	(3.53)	
Surplus/(Deficit) for the year from discontinued operations	(337,061)				
NET SURPLUS/(DEFICIT) FOR THE YEAR	27,587,075	51,635,842	(23,711,706)	(45.92)	

APPENDIX E (2)**SWARTLAND MUNICIPALITY****ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2007**

	2007 Actual R	2007 Under Construction R	2007 Total Additions R	2007 Budget R	2007 Variance R	2007 Variance %	Explanation of Significant Variances greater than 5 % versus Budget
Cemeteries	-	-	-	-	-	-	
Corporate Services	1,260,485	182,103	1,442,588	1,156,059	286,529	24.78	Amount budgeted for was not fully spent during the 2006/2007 financial year and was carried over to the new financial year.
Electricity	7,043,672	-	7,043,672	7,974,587	(930,915)	(11.67)	Amount budgeted for was not fully spent during the 2006/2007 financial year and was carried over to the new financial year.
Environmental Health	-	-	-	-	-	-	
Financial	204,307	982,943	1,187,250	1,800,000	(612,750)	(34.04)	Amount budgeted for was not fully spent during the 2006/2007 financial year and was carried over to the new financial year.
Fire Fighting	88,209	-	88,209	105,580	(17,371)	(16.45)	A subsequent saving was realised with the upgrading of a truck.
Housing	-	-	-	-	-	-	
Libraries	-	-	-	-	-	-	
Municipal Property	3,814,183	-	3,814,183	4,805,000	(990,817)	(20.62)	Amount budgeted for was not fully spent during the 2006/2007 financial year and was carried over to the new financial year.
Parks and Recreational	404,068	-	404,068	689,999	(285,931)	(41.44)	A subsequent saving was realised with the upgrading of the swimming pool.
Protection Services	710,497	-	710,497	688,000	22,497	3.27	
Refuse Removal	283,350	-	283,350	350,000	(66,650)	(19.04)	A subsequent saving was realised with the acquisition of a truck.
Roads and Stormwater	17,927,300	567,098	18,494,398	23,735,769	(5,241,371)	(22.08)	Amount budgeted for was not fully spent during the 2006/2007 financial year and was carried over to the new financial year.
Sewerage	12,058,057	168,024	12,226,081	14,886,910	(2,660,829)	(17.87)	Amount budgeted for was not fully spent during the 2006/2007 financial year and was carried over to the new financial year.
Sportsgrounds	2,738,525	55,000	2,793,525	2,972,811	(179,286)	(6.03)	
Water	3,908,835	1,462,444	5,371,279	6,243,290	(872,011)	(13.97)	Amount budgeted for was not fully spent during the 2006/2007 financial year and was carried over to the new financial year.
	50,441,488	3,417,612	53,859,100	65,408,005	(11,548,905)	(17.66)	

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA, 56 OF 2003

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APPENDIX F**SWARTLAND MUNICIPALITY****DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA, 56 OF 2003 (continued)****Grant and Subsidies Received**

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly expenditure				Grants and Subsidies delayed / withheld				Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of the grant framework in the latest Division of Revenue Act
		June	September	December	March	June	September	December	March	June	September	December	March		Yes / No
Cleanest Town	Provincial Department of Environmental Affairs and Development Planning	-	-	-	120,000	-	-	-	-	-	-	-	-	None	Yes
Upgrading Polla Park Township	Provincial Department of Housing	570,000	-	-	-	15,181	-	-	-	-	-	-	-	None	Yes
Illinge Lethu Multipurpose Centre	Provincial Department of Social Services and Poverty Alleviation	140,000	150,000			224,083	33,152	32,066	52,342	-	-	-	-	None	Yes
Riebeeck Kasteel Non Motorised Transport	Provincial Department of Transport and Public Works	217,000	167,000	167,000	166,000	411,973	30,512	55,562	4,560	-	-	-	-	None	Yes
Soup Kitchen	West Coast District Municipality	-	-	-	-	16,606	6,072	12,978	10,214	-	-	-	-	None	Yes
Darling Sewerage Phase II	West Coast District Municipality	4,372,294	1,483,179	-	-	4,804,385	-	674,413	335,974	-	-	-	-	None	Yes
Illinge Lethu Centre	West Coast District Municipality	-	25,019	-	-	-	-	16,585	45,945	-	-	-	-	None	Yes
Provincial Health Subsidies	Provincial Department of Health	386,725	1,074,324	680,827	2,004,281	1,123,946	1,016,357	1,295,360	1,063,817	-	-	-	-	None	Yes
Proclaimed Roads Subsidy	Provincial Department of Transport and Public Works	-	-	-	578,000	-	-	578,000	-	-	-	-	-	None	Yes
Abbotsdale Housing Project	Provincial Department of Housing	-	-	-	-	453	-	-	-	-	-	-	-	None	Yes
Borehole Rosenhof	Provincial Department of Agriculture	-	-	-	-	19,031	-	-	-	-	-	-	-	None	Yes
Illinge Lethu Housing Project	Provincial Department of Housing	-	-	-	-	409	-	-	-	-	-	-	-	None	Yes
Imbizo	Provincial Department of Local Government	-	-	40,000	-	-	-	36,597	-	-	-	-	-	None	Yes
Kalbaskraal Housing Project	Provincial Department of Housing	-	-	-	-	6,851	-	-	-	-	-	-	-	None	Yes
Library	Provincial Library Services	-	-	-	-	24,216	-	-	-	-	-	-	-	None	Yes
Riebeeck Wes Koinonia Housing Project	Provincial Department of Housing	-	-	-	-	828	273	355	4,000	-	-	-	-	None	Yes
Koringberg Sport Development	Provincial Department of Cultural Affairs and Sport	-	-	-	-	-	28,522	1,478	-	-	-	-	-	None	Yes

APPENDIX F

SWARTLAND MUNICIPALITY

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA, 56 OF 2003 (continued)

Grant and Subsidies Received

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly expenditure				Grants and Subsidies delayed / withheld				Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of the grant framework in the latest Division of Revenue Act
		June	September	December	March	June	September	December	March	June	September	December	March		
Masibambani	National Department of Water Affairs and Forestry	-	-	276,000	249,000	-	6,928	-	39,474	-	-	-	-	None	Yes
Upgrading: Taxi Terminal	Provincial Department of Transport and Public Works	-	-	-	-	33,737	-	-	-	-	-	-	-	None	Yes
Sport: Kalbaskraal	Provincial Department of Cultural Affairs and Sport	-	-	-	-	30,648	-	-	-	-	-	-	-	None	Yes
Swartland Youth Art School	Provincial Department of Cultural Affairs and Sport	-	-	-	-	6,063	15,883	-	-	-	-	-	-	None	Yes
Klippiesdal Housing Project	Provincial Department of Housing	-	-	-	65,163	-	-	-	-	-	-	-	-	None	Yes
Masterplanning	Provincial Department of Local Government	-	-	-	63,000	-	3,362	-	39,474	-	-	-	-	None	Yes
Goedgedacht Sportgrounds	Provincial Department of Cultural Affairs and Sport	-	-	-	500,000	-	-	-	-	-	-	-	-	None	Yes
Electricity: Riebeek Wes/ Kalbaskraal	ESCOM	-	-	-	1,015,785	-	5,248	365,452	512,591	-	-	-	-	None	Yes
Community Development Workers	West Coast District Municipality	-	-	-	24,280	-	-	-	-	-	-	-	-	None	Yes
Borehole Kalbaskraal	Provincial Department of Agriculture	-	-	-	-	-	105,263	14,737	-	-	-	-	-	None	Yes
Total		6,234,268	7,086,434	12,198,946	10,958,692	9,748,406	4,782,764	9,905,508	7,806,744	-	-	-	-		

* Reasons for non- compliance

No expenditure was incurred in this financial year. The funding will be utilised in the next financial year.